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Toronto Treasury Department

(CITY OF TORONTO)  
ANNUAL (FINANCIAL) REPORT  
OF THE  
COMMISSIONER OF FINANCE  
1918



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TREASURY DEPARTMENT





## MEMBERS OF CITY COUNCIL—1919

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THOMAS L. CHURCH, Esq., K.C.

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*His Worship the Mayor, Chairman.*

C. ALFRED MAGUIRE, *Vice-Chairman.*

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SAMUEL McBRIDE.

W. D. ROBBINS.

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RICHARD HONEYFORD.

FRANK M. JOHNSTON.

#### *Ward 5.*

CLIFFORD E. BLACKBURN.

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F. G. I. WHETTER.

#### *Ward 4.*

JOHN A. COWAN.

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A. R. NESBITT.

#### *Ward 8.*

F. M. BAKER.

WM. M. MISKELLY.

WM. WILLIAMSON.



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# ANNUAL REPORT

OF THE

COMMISSIONER OF FINANCE

OF THE

City of Toronto

1918

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TORONTO, 30th June, 1919

*To His Worship the Mayor and Members of the Council  
of the City of Toronto.*

DEAR SIRs :—

The Annual Report on the financial affairs of the Corporation of the City of Toronto, for the year ended 31st December, 1918, together with the audited statement of revenue and expense, and balance sheet, as well as certain supplementary exhibits, is presented herewith.

The report embraces, as nearly as is practicable, the whole of the City's business apart from that of the Board of Education, Separate School Board, Public Library Board, Toronto Hydro-Electric Commissioners, Toronto Harbor Commissioners, and Canadian National Exhibition Association, all of which maintain independent accounting. There is, however, included the fixed investment of the City, in property, plant, etc., held by these bodies, the dealings between them and the municipality, and such business relevant to them as is under the care of the City. It has been the aim, while omitting exhaustive details, to set forth clearly and simply the facts pertaining to the finances of the City, and the changes occurring therein during the year. In view of the special report for the year 1918 already published, on the Funded Debt and Sinking Fund, in which the bearing of these upon the general financial condition of the City is set forth, no extended comment thereon has been thought necessary.

For the past year, the affairs of the City of Toronto, with a population of about 490,000, and an assessment of \$600,778,145, entailed a general revenue expenditure, on all accounts, of \$23,126,408. Towards meeting this, the tax rate was placed at 30½ mills, which, with other general revenue, yielded \$23,218,758. There was brought forward from the preceding year, current surplus (including reserve for deferred expenditure) of \$1,410,705,

while there was carried forward to the present year a current surplus (including reserve), of \$1,503,055, of which \$986,383 was available for appropriation in 1919. The net interest earnings of the sinking fund for the year, all accumulated for the redemption of funded debt, amounted to \$1,235,182.

Particularly conspicuous in the affairs of the City was the expenditure in connection with the war. The bulk of this arose out of the City's policy of insuring its citizen volunteer soldiers for the sum of \$1,000 each. Including the Provincial War Tax of one mill on the assessment, war expenditures of 1917, provided in 1918, and debt charges on previous war expenditures funded, the total charges for war purposes last year were no less than \$4,816,759.

Debentures matured during the year to the amount of \$3,100,384, for redeeming which provision had been fully made, without the necessity of refunding any portion. Of these, \$1,164,606 were serial, and \$1,935,778 sinking fund debentures. Of the serial debentures, \$1,161,151, or practically the whole, involved no diminution of the annual debt charges, inasmuch as they did not represent the final instalment of the series. Of the sinking fund debentures, \$1,472,528 were for street railway pavements, and ratepayers' share of local improvements, debt charges for which class of debentures are met by special revenue, apart from general taxation. Only on the remaining \$463,250 were the debt charges met by general taxation. Thus, while on the whole, more than \$3,000,000 of debentures matured, less than \$500,000 were accompanied by the cessation of debt charges affecting general taxation, the annual debt charges so eliminated amounting to \$71,979. Not for a number of years hence will there be any important loans expiring which will materially reduce debt charges now raised by general taxation. In consequence of this, therefore, any new debts contracted which are not for purposes yielding revenue to fully meet their annual charges, must, of necessity, increase the load of taxation. Increased assessment would, however, be an offset thereto, if adequate, and if current expenditures were not also increasing at a rate which would practically neutralize its effect.

Debentures were sold during 1918 amounting to \$6,893,103, all of which were issued in connection with capital commitments of prior years. Of these, \$6,117,700 had been authorized in 1917, but remained unnegotiated at its close. The remainder, \$775,403, was authorized in 1918 to cover the cost of completed local improvements, the construction of which had been authorized in preceding years. On \$3,966,693 of these debentures, the annual debt charges, \$399,299, are practically all met by general taxation, while on the balance of \$2,926,410, the annual debt charges, \$297,500, are provided either by revenue from the services for which the debts were incurred or by special local improvement assessments. The details are as follows :

PURPOSE OF ISSUE.	AMOUNT.	ANNUAL DEBT CHARGES.
<b>Charges on General Taxation</b>		
Railway Grade Separation ; Bridges ; Sewers ;		
Fire Halls ; Public Buildings ; Parks.....	\$1,495,700	\$104,777
War Purposes.....	1,750,000	216,417
Civic Car Lines.....	296,000	24,083
Local Improvements, City's Share.....	424,993	54,022
	<hr/> \$3,966,693	<hr/> \$399,299



**Revenue Producing :**

Waterworks.....	\$1,515,000	\$97,900
Toronto-Hydro-Electric System.....	736,000	60,720
Toronto Railway Pavements.....	325,000	89,475
Local Improvements, Ratepayers' Share.....	350,410	49,405
	<u>\$2,926,410</u>	<u>297,500</u>
	<u>\$6,893,103</u>	<u>\$696,799</u>

All outside sales were made on a 6.11 per cent. interest yield basis, which, while an unusually high borrowing cost (due almost entirely to the serious war situation) compared favourably with that of other contemporaneous Municipal and Provincial Government loans, and in no way reflected impairment of the City's credit. The British market has been closed since the commencement of the war, and the market of the United States has been practically closed since that country became a belligerent.

A funded loan of \$650,000 was authorized during the year under By-law 7999, for extension of the City's Hydro-Electric System, which, however, remained un-

**Unnegotiated Debt** negotiated at its close. This expenditure was the only new capital commitment made during the year, outside of a few minor local improvements. It was urgently required on account of the rapid growth of the Hydro system, and since the enterprise is self-sustaining it imposes no additional taxation for debt charges.

A most gratifying feature in connection with the City's finances for the past year, and one which reflected general prosperity amongst its citizens, was the prompt-

**Prompt Tax Payment** ness with which taxes were paid, and the small increase in the amount outstanding at its close over that of the preceding year, namely, \$284,428, notwithstanding a largely increased amount to be collected, and a 20 per cent higher tax rate. The total taxes chargeable increased from \$16,918,068 in 1917 to \$20,260,397 in 1918, while the actual cash tax receipts increased in the same period from \$17,097,232 to \$19,920,336. The substantial advance of the tax rate, from 25½ mills in 1917 to 30½ mills in 1918, was mainly due to the wise policy of meeting current war expenditures directly by taxation, instead of increasing the already heavy funded war debt.

In many items of the City's affairs, new high records were established last year. The City's operating costs have steadily mounted, in company with its continuous

**New High Records** growth and development, which was not altogether abated during the war, for although the population in the years 1915 and 1916 showed a slight retrogression, that of 1918 exceeded any previously recorded, while the assessment has steadily increased year by year, reaching its largest amount in 1918. Last year these costs reached a point beyond any attained in the past, as did most of the individual items thereof, e.g., the expenses of schools and education, and those of nearly all the various departmental services. It was found necessary to raise the largest amount of general taxes through the imposition of the highest tax rate in the City's history, and the tax collection was the heaviest ever experienced. The gross revenue from waterworks, Toronto Railway Company franchise, and Civic Car lines, in each case surpassed former earnings. The completion of the permanent financing resulting from the extraordinary commitments of previous years,



made the City's gross funded debt greater than it had ever been formerly ; but, on the other hand, the sinking fund was the largest ever held.

The City's financial condition is unquestionably sound. Sufficient revenue is derivable to meet running expenses ; the enjoyment of a high credit enables such necessary capital to be obtained as may be legitimately required ; adequate provision has been made for retiring all funded obligations as they become due ; moneys receivable by the City do not, to any extent, remain overdue an unreasonable length of time ; and funds are available for discharging all current indebtedness.

That the unpaid taxes and accounts receivable at the close of 1918, namely, \$5,197,653, were not unduly large, will be recognized from the fact that the total receivable for 1918 was about \$30,000,000, made up of about \$25,000,000 of taxes and general revenue, chiefly due in the last seven months of the year, and approximately \$5,000,000 carried over from the previous year.

Of the \$4,444,086 taxes outstanding, there were \$3,030,000 less than seven months overdue, being those unpaid out of the year's (1918) total collection of over 20 millions ; \$1,096,000 represented the arrears of those which fell due in 1917, out of the total collection for that year of almost 17 millions ; while only \$318,000 were two years, or more, in arrears. Ample provision has been made for all probable losses. Considering the vast amount collectable annually, the great number of individual assessments—last year over 178,000—and the widely differing circumstances of the taxpayers, and further, that the leeway granted by law is such that practically three years must expire before payment through tax sales of land can be enforced, it is evident that the tax collection is in a healthy condition.

While in 1918 the City lived within its means, and the receipt of revenue about equalled expense disbursements, yet less favourable financial conditions among our citizens would undoubtedly involve increased arrears of taxes, etc., and increased temporary borrowings. This situation, which has been experienced in the past, should be anticipated by the building up of a liquid surplus, which would take the place of such temporary loans.

Moreover, from the foregoing, it is apparent that a large part of the year's revenue is constantly not received in cash within the year. On the other hand, under the present system, it is all appropriated and treated as available to meet expenditures within the year, with the result that heavy borrowings are inevitable in the early months of each year. This condition itself presents a further necessity for the establishment of a substantial liquid surplus. Then again, the strain on the City's credit is greatly accentuated in the early part of the year, through failure to levy the first instalment of taxes until about the middle of the year, when approximately one-half of the year's expenditures have been incurred. The growth of the City, and the enlarging volume of its business, are necessitating temporary loans being obtained for increasing amounts, which again emphasises the importance of the gradual accumulation of a surplus or reserve fund, for the purpose of working capital, and of the date of the first collection of taxes being set earlier in the year. It is recommended that such a fund be instituted by providing in the estimates of



1920, and several subsequent years, an amount equal to one-half a mill on the current assessment, and that any necessary legislation be secured to give effect to this suggestion.

The current surplus at 31st December last, resulted simply from the year's operations, and was all either required for deferred expenditures, or made available for appropriation in 1919. It is not to be confused with the liquid surplus which is advocated to be accumulated as working capital. Another year there may be no current surplus at all, though business prudence dictates that the utmost precaution should be taken to avoid closing any year with a deficit, as has, unfortunately, been too frequent in the past.

The current assets, as at 31st December last, aggregated \$9,369,745. In addition to taxes and accounts receivable, already referred to, of \$5,197,653, they embraced

**Current Assets** cash, \$2,836,075, stores, \$392,134, properties for re-sale, \$687,081, revenue accrued, \$249,777, and deferred charges, \$7,022. Besides these assets, \$235,100 was set aside in the sinking fund to meet the accrued liability to the Toronto and Hamilton Highway Commissioners, for the City's share of the cost of the highway.

The current liability and surplus totalled \$7,943,013, made up as follows : accounts payable, \$1,736,910, interest on funded debt, mainly due 1st of January, 1919, \$2,046,567, trust funds, \$1,632,597, unearned revenue, \$222,605,

**Current Liabilities** interest on ratepayers' share of local improvement debt, collectable from ratepayers in advance, \$363,317, reserve for loss on taxes, \$4,379,607 and surplus, \$1,503,055.

In addition to these liabilities, there were required to be furnished from current assets, balance of money raised by debentures, but unexpended, \$2,732,790, funds raised and held for redemption of instalment debenture debt, \$163,612, and funds offsetting sundry capital reserves, \$110,381, or in all, \$3,006,783. Combining this last amount with current liabilities, it makes the current indebtedness approximately \$10,950,000 on the 31st December last, against \$9,605,000 of available assets.

The excess of the indebtedness referred to represents capital expenditure made but not yet permanently financed, of which, \$1,004,371, was advances for local improvement construction, and \$340,579, sundry advances and expenditures in excess of funds provided. Some of these advances were for

**Unfinanced Works** the cost of construction of grade separation, the final adjustment of which, with the contributing railways, has yet to be made. Besides the foregoing expenditures not permanently financed, there were further definite capital commitments, approximating \$1,482,000, for which no funds had been raised, thus making the total still to be provided about \$2,827,000. The exact amount of local improvements can only be determined upon the completion of the individual works. These figures are, of course, exclusive of a number of undertakings hereafter mentioned, to which the City is committed in a general way, but which are not fully authorized.

Apart from the main work which is being carried out by the Harbor Commissioners they are undertaking, under agreement made in November, 1914, on behalf of the City, the filling in or otherwise improving certain lands. While the

**Special Waterfront Improvements** Commissioners pay outright for such work, they are reimbursed by the City by annual payments spread over forty years. Already there has been expended by the Commissioners, in this connection, \$1,055,911, and the balance, as at the close of 1918, to be further expended, was approximately \$2,214,660, the whole being estimated at not more than \$3,270,571.



The general programme of capital expenditures more or less definitely determined, and sooner or later to be carried out, including acquisition, rehabilitation and extension of the street railway system of the Toronto Railway Company ; the water-front viaduct; improvements by, or in conjunction with, the Harbor Commissioners, other than the \$3,270,571 already referred to; the right-of-way, etc., for Hydro Radials, would involve probably 40 millions, of which about \$2,700,000 has been permanently financed.

The reaction following the cessation of hostilities has led to a demand for the carrying out of undertakings, many of which were postponed or abandoned during the war, and some proposed for the first time, quite irrespective of the City's financial ability to cope with them. A little consideration cannot but convince those who examine the City's financial condition, its debt, its assessment, and other resources, that most serious consequences would result from again launching out, as was done a few years ago. Furthermore, present excessive costs render most inadvisable new undertakings not absolutely essential. There are in prospect a number of commitments for essential works, services, etc., which it may be in the City's best interests to carry out in the near future, but it would be ill-advised to undertake any others.

Since the outbreak of the war, many large projects, advanced prior thereto, had either to be entirely given up or temporarily postponed, while, during its progress, practically none but extremely important new undertakings were entered upon, or even considered. The extensive programme of capital outlays, however, commenced before, and in various stages of progress at the beginning of hostilities, had to be completed, and necessitated providing, with \$4,500,000 for war purposes, no less than \$35,000,000 of new capital in the war years, 1915-1918, inclusive, while in the two years previous, 1913 and 1914, over \$31,500,000 of new capital had to be provided, making a total within the past six years of over \$66,500,000. Of this tremendous capital expansion, equivalent to 64 per cent of the City's present funded debt, begun practically in 1912, \$38,900,000 was for non-self-sustaining purposes. This was so abnormally great, compared with the prevailing assessment, that if there had been no increase in assessment, the 1918 tax for debt charges alone, apart from any war debt, would have been practically eight mills. Clearly the City's future was being too heavily and unjustifiably mortgaged. Notwithstanding increases in the assessment, the tax required to cover the debt charges (including those on war debt) increased from approximately 5 mills in 1914 to over 7½ mills in 1918. Had there been no curtailment and no increase of assessment, the burden of overhead charges would to-day have been extremely heavy. In addition to the general debt charges of 7½ mills, the special rate for local improvement debts averaged 3 mills on the 1918 assessment, which really means that on the average the taxpayer was called upon to pay 10½ mills for debt charges in 1918. Unless there is an unusual yearly increase in assessment, it will be a very considerable time before the rate for fixed charges on non-self-sustaining works, etc., is appreciably lowered.

From time to time, before new capital commitments are made, the City's then financial ability to bear such should be most carefully weighed, and if it is found that they will adversely affect the City's credit, and prove an oppressive burden, they should not be undertaken until the time is more opportune. As previously pointed out, new capital outlays, wholly or partly unremunerative, will only increase general taxation, and likewise, without corresponding expansion of assessment, the burden of the individual ratepayer. Per-



manent assets of a municipality, which are not self-supporting, do not materially improve its general position financially ; rather, they impose added burdens in the form of debt, maintenance, and operation charges. Financial resources for meeting such charges rest simply in the taxable assessment ; the more this is encumbered, the higher will be the tax rate.

While it is essential to have a definite policy in regard to contemplated capital undertakings, and to arrange for the funds for them through permanent financing, it is equally essential that such policy be based upon the sufficiency of the City's present resources, and not upon an unwarranted anticipation of those of the future. Furthermore, remote future years should not be unfairly burdened by failure to provide annual charges sufficient to retire debts within the benefitting lifetime of the relative improvements. It is most unfair to the necessities of subsequent years to anticipate increased assessment, since such course leaves, generally speaking, no margin for carrying the charges involved in capital outlays that may then be deemed absolutely essential, and since, moreover, unforeseen problems, calling for capital expenditure, are certain to arise with each ensuing year, probably more than enough to claim all the resources arising out of such increased assessment. Through practice of these unsound policies in past years, the fixed charges to-day are unduly high, and but for the increase of the assessment, subsequent to capital commitments made, they would have been relatively still higher.

Closely allied to capital commitments is the limit of the City's borrowing powers. Debenture indebtedness is limited by Statute (52 Vic. Chap. 74, and amendments) to an amount not to exceed  $12\frac{1}{2}$  per cent of the first 100 millions of assessed valuation of rateable property, and 8 per cent of the amount in excess thereof. By various statutes, however, certain exempted debts are not to be counted as part of the debenture debt in determining the limit. These are debts for local improvements, water works, Toronto Hydro-Electric system, Toronto Railway pavements, Civic Car lines, and war purposes. After eliminating these, the margin of the City's permissible general indebtedness at the end of the year was only about \$6,400,000. This will be modified in the present year by increased assessment, the redemption of maturing debentures, and the new debenture debt to be incurred.

The City's capital assets at the end of the year amounted to \$150,209,418, including sinking fund assets of \$28,073,357, Consumers' Gas Company stock \$31,587, war expenditures, rights and benefits, \$6,769,848, and permanent properties, improvements, etc., \$115,334,625, the value in the balance sheet of the latter (apart from reserve and depreciation) being made up as follows :

Bridges, subways, viaducts, sewers, City's share of local improvements, etc.	\$ 24,691,465
Waterworks system.....	15,812,317
Parks property.....	14,650,263
Investment in schools.....	14,232,054
Ratepayers' share of local improvements.....	13,952,190
Investment in Toronto Hydro-Electric system.....	8,579,194
Public buildings and markets.....	6,551,038
Street railway pavements.....	3,792,509
City-owned property leased.....	2,950,334
Civic car lines.....	2,068,619
Fire halls and police stations.....	1,760,192



Sundry general plant and equipment.....	1,119,282
Reclamation improvements, Toronto Harbor Commission.....	1,005,393
Local improvements, not yet assessed.....	1,004,371
Vacant land.....	972,619
Store yards, stables and incinerator.....	890,469
Public libraries.....	837,608
Civic abattoir (exclusive of land).....	415,608
Public lavatories.....	49,100
	<hr/>
	\$115,334,625
	<hr/>

Certain of the fixed assets are revenue producing, the services which they represent being wholly or partly self-sustaining. The income from the City's excellent Waterworks system not only rendered that great utility self-supporting in 1918, but produced a surplus of \$546,616, which was applied to the reduction of general taxation. For all the charges involved in the investment in the comparatively new and expanding Toronto Hydro-Electric system, the City is completely reimbursed by the Commissioners, from earnings of that well managed, and well equipped enterprise, which is admirably serving the citizens. The franchise revenue from the Toronto Railway more than met the expenses and charges on account of the pavement of the right-of-way, by \$62,039, this surplus also being applied in reduction of taxation. A loss has been continuously sustained in the operation of the modernly constructed and equipped Civic Car lines, recently established, and has had to be borne by the general taxpayer, that for 1918 amounting to \$126,613. The lines serve only newer districts, and favour non-taxpayers residing on the outskirts of the City, and it is regrettable that Council has failed to rectify this injustice, as could have been done by simply charging the actual cost of the service furnished. The excess of receipts over direct operating expenses derived from the annual Canadian National Exhibition, the conduct of which is undertaken by an association on behalf of the City, and the grounds and buildings of which the municipality owns, is paid over to the City. Last year this excess amounted to \$90,598, which was just about sufficient to pay charges incurred for the "Exhibition Buildings" debt. The additional expense involved in the maintenance of the grounds and buildings is borne by general taxation, which may be regarded as warranted in view of the substantial benefit which the citizens derive from holding annually the great National Exhibition and in view of the park being available to the public for practically the whole year. As a business proposition, the Municipal Abattoir continues to be operated at a loss, which, of course, falls upon the citizens generally. Last year, apart from adequate depreciation charges, taxes, etc., the deficit was \$37,185. From the leasing of City owned real estate, including Island, Market, and Front Street properties, Esplanade water lots, and certain other residential properties, a gross revenue of \$188,000 was derived, which, although substantial in amount, is a relatively small return on the value of the properties. Dividends are also regularly received on Consumers' Gas Company stock.

The great bulk of the fixed assets, however, is composed of properties, improvements and services, acquired or undertaken for the common welfare, and are, in themselves, almost wholly unremunerative, although in a number of instances they have unquestionably increased realty values and encouraged greater business activity. Their capital cost is, of course, a general charge upon the City's revenue, except the construction cost of the owner's portion of local improvements, which is covered by special assessments against properties



immediately benefitted. Among the more important of these assets are, the City Hall, the 28 well-distributed and equipped fire halls, the central high pressure water supply system for fire protection, police stations, industrial farms, the commodious new Registry Office, the City's investment in the 98 Public and the 10 High Schools, the highly equipped and well constructed Technical School and High School of Commerce, public libraries, the free markets, the widely distributed parks, large and small, including those of the Island, and embracing in all 1,466 acres, the public water front, including the attractive Island beaches, and the improvements in connection with the extensive water front park and boulevard development being carried out by the Harbor Commissioners, the Don Garbage Incinerator, the city-wide sewer system, with its great trunk, main, storm, and ordinary sewers, the large Morley Avenue sewage disposal plant, the numerous bridges, viaducts and subways, including the magnificent and recently completed Bloor Street Viaduct, which bridges the Rosedale and Don River ravines, and directly unites the two important thoroughfares of Bloor Street and Danforth Avenue, the permanent roadway pavements and concrete sidewalks now laid on most of the City's streets, and improvements by way of street extensions, openings and widenings.

It is the general practice to carry the fixed assets at their cost value, less an annual reduction equivalent to the annual provision made for the redemption of the debts incurred for such assets. Against the funds provided out of revenue for such redemption, corresponding reserves are carried until the debt is discharged, such reserves representing at the same time the amount by which values are written down, and as debts are retired the corresponding amounts in reserves are transferred directly to the credit of respective asset accounts. The corresponding charge against revenue, covering the writing down of the assets, is secured in the "debt charges" against the same in respect of the funds provided thereby for debt redemption. Depreciation is assumed to be provided through the amounts thus written off, on the theory that the respective debts are for no longer periods than the lifetime of the assets, and that their redemption is being fully and uniformly provided within that time. Unfortunately in some instances in the past, such as for example, the equipment of the Municipal Abattoir, for which debentures were issued for approximately \$158,000 for 34 years, it must be admitted that this is not the case. In aggregate, however, depreciation has probably been reasonably covered, and in recent years care has been taken to limit the term of debentures issued to the lifetime of the relative undertaking. A more exact treatment of depreciation in the accounts would involve extensive research and a most elaborate and specific classification of data, besides giving rise to numerous intricate and difficult questions associated therewith, on many of which expert opinion differs. Moreover, the practical advantage to be gained thereby is an open question, especially when through the annual charges for relative debt redemption, the cost of an asset is spread over a reasonable term of years within its benefitting lifetime. Thus each generation of citizens, through the annual debt charge—both for interest and redemption—substantially contributes its quota of cost for the service it receives, and bears its own burden for the benefit it enjoys.

Through the expenditure of current revenue funds, the City has acquired from time to time various more or less valuable assets, which, however, except in the case of realty and a few other instances, are not included in the account value of fixed assets.



The gross capital indebtedness of the City on the 31st December last was \$105,125,387, the major portion of this, \$104,122,200, being the City's gross funded debt, part of which is repayable by annual instalments and part at the end of specific terms of years out of accumulated sinking funds, and the balance, \$1,003,187, being the City's obligation to the Toronto Harbor Commissioners, which is repayable by the City to the Commissioners, under agreement, in 40 annual instalments.

Against the substantial funded debt, however, there were reserved sinking and other funds, amounting to \$27,797,470, provided out of revenue, which reduced the liability to \$76,324,730. In addition to the redemption funds just referred to, the sinking fund included two other miscellaneous items, viz., sundry minor amounts raised by debenture loans, but ultimately found not to be required to meet the cost of the respective works, and proceeds of sales of certain City assets, amounting together to \$204,400, which sum is also available for the liquidation of the funded debt. The total sinking fund of \$28,073,357 is comprised of City of Toronto bonds, \$25,409,336 ; Dominion Government securities, \$450,487 ; loan to Toronto Harbor Commissioners, \$975,000 ; accrued interest on investments, \$483,448 ; and cash, \$755,086. The actual net interest earnings of the sinking fund amounted to \$1,235,182, being at the average rate of approximately 4.62 per cent. Most of the investments were made many years ago, when prevailing rates of interest were much lower than at present. At the close of 1918, after providing for all liabilities, which were determined by using the conservative basic interest rate of 3 per cent., there was a surplus of \$1,213,811, of which it is proposed to apply \$1,000,000 to the retirement of debt prior to its maturity, and thus immediately benefit the taxpayer through reduction of debt charges. It was suggested that any surplus arising out of the administration of the sinking fund should be applied to meet current expenses, but this would not only be illegal, but would divert the earnings of moneys received from the taxpayer to an entirely different purpose from that for which they were contributed. There can be no doubt but that all sinking fund moneys should only be utilized for debt redemption purposes.

Of the total capital indebtedness, \$28,323,547 was in respect of revenue-producing services, wholly self-sustaining ; \$13,952,189 was for owners' portion of cost of local improvements, met by special assessment ; \$4,015,920 was for services yielding revenue, but not wholly sufficient to be self-sustaining ; and \$58,833,731 was for general City purposes not revenue-producing. Practically the whole of the debt charges of the last two fall against general taxation, those properly belonging to last year amounting to \$4,607,082, or 7.67 mills on the assessment, (actually the amount charged in 1918 was \$4,216,363, but this was after a reduction of \$390,719, which had been over-raised in 1917, had been made). In considering the City's large capital liability, the value of the numerous and important assets mainly provided thereby, which have been previously referred to, and the direct revenue-producing powers of certain of them, should not be overlooked. It may also be pointed out that relatively, as well as actually, the community needs of a large and growing urban municipality, with its compact, even congested population, are much more numerous and insistent than are those of smaller and rural centres, which are less thickly settled, and where community advantages are not so necessary, feasible, or important.



While there was an increase in the capital surplus, as a result on the past year's operations, of \$221,438.96, yet, in consequence of readjusting the book value of certain fixed assets, the amount at the close of 1918, was \$18,626,995, or \$347.059, less than that recorded at the close of 1917. The decrease in no material way affected the financial position of the city, since capital surplus is purely proprietary and invested, being held solely for continuing use, and not available for appropriation.

In addition to the actual indebtedness already noted, the City has a contingent liability of \$8,075,000, represented in bonds guaranteed by it, of certain bodies, the enterprises of which are deemed to be more or less in the public interest, viz., \$500,000, issued by the Toronto Housing Company, Limited ; \$75,000 by Industrial Schools Association ; and \$7,500,000 by the Toronto Harbor Commissioners, a public commission, in which is vested the administration and improving of the Harbor of Toronto, the City's general waterfront (including the adjacent water area) and contiguous properties, held by the Commissioners for the City, in connection with these. The City has also undertaken to guarantee \$17,500,000 additional bonds of the Harbor Commissioners (making in all 25 millions) as the development of the project proceeds. Furthermore, the City has undertaken to issue and deposit with the Hydro-Electric Power Commission of Ontario bonds for \$4,240,196, in connection with its share of the proposed Radial Railway system.

The taxable assessment, although not specifically appearing in the City's financial statement, is a more vital factor in determining the true condition of the Corporation than is any one item in such statements. It affects the City's credit and the limit of its borrowing powers. Moreover, there is derived from it, through taxation, practically the whole of the revenue required for maintaining services directly for the common welfare—the City's chief business. The general tax rate merely shows the combined result of the relationship existing between the taxable assessment, the demands made upon it, and the extraneous revenue relieving it, but does not fully reveal whether the relationships existing between individual items and the assessment are normal or otherwise. In a general way the taxable assessment stands as a financial backing for all the business of the municipality. This fact tends too often, through the incorrect assumption that unlimited means are procurable thereby, to insufficient caution in administration and in the incurrence of liability. The relations borne to the taxable assessment by (1) the ordinary expenditure for purposes of common welfare ; (2) losses on account of special services or enterprises ; (3) extraneous revenue applied to meet such purposes and losses, and (4) the limit imposed by Statute, on borrowings, all need to be most carefully considered.

The City's taxable assessment in 1918 (exclusive of \$1,730,491, assessment for school purposes only), as already stated, was \$600,778,145, and the ordinary expenditure during the same period, for services of common welfare, viz., general civic administration, education, police and administration of justice, conservation of health, sanitation, sewerage, highways, fire protection, parks, etc. (but not including \$4,816,759 for war purposes), amounted to \$14,839,183. This really constituted the regular expenditure as against revenue from taxation and miscellaneous sources. The latter amounted to \$1,161,127, which, deducted from the expenditure of \$14,840,193 above stated, left \$13,678,056



to be met by taxation, which was equivalent to a rate of 22.77 mills on the assessment, and allowing for taxation losses (.48 mills) called for a rate of 23.25 mills. Had it not been for special adjustments entering into the figures of 1918, the rate required for the foregoing services would have been 23.68 mills, or say  $23\frac{3}{4}$  mills and if conditions were normal, and if the assumption were made that taxation from increased assessment would cover increased costs, this rate might be considered as practically constant for these purposes. If it be not a reasonable rate, then, although the City's financial condition is absolutely sound, the cost of administration is too high, and the taxpayer is being unduly burdened. This condition could only be remedied by pursuing a more economical policy. Notwithstanding the utilization of extraneous revenue, for example, that from Toronto Railway franchise and Waterworks system, to reduce the tax rate, the rate, so reduced, should itself be a reasonable one, having regard to the fact that its reduction has been specially brought about by the application of such extraneous revenue. The important principle is that expenses which should ordinarily be met by taxation, should not be greater than would be met by the imposition of a reasonable tax rate.

The services for common welfare should themselves form a business unit, the revenue for which is found by taxation and ordinary revenue, such as fines, licenses, rentals, sundry fees, etc., but not by extraneous revenue, such as that derived from the Waterworks system and the Toronto Railway franchise. In this way, underlying facts would be clearly shown, and the real tax rate comparable from year to year, in aggregate and in detail.

With a view of ascertaining the effect of the advance in common welfare expense during the past ten years, upon the tax rate, a comparison has been instituted, which sets forth in mills the relation between expense and assessment for 1908 and 1918. Within that period the rate for fire protection increased from 1.64 to 2.25, or .61 mills ; for conservation of health, from .82 to 1.85, or 1.03 mills ; for school maintenance, from 5.24 to 5.75, or .51 mills ; for school debt charges; from .78 to 1.47, or .69 mills, and for all debt charges, from 5.20 to 6.49, or 1.29 mills : on the other hand, the rate for police service decreased from 2.09 to 1.57, or .52 mills ; for sanitation and drainage, from 2.36 to 1.82, or .54 mills ; for highways, from 1.58 to 1.00, or .58 mills, and for parks and recreation from .75 to .57, or .18 mills. In the same ten years, the aggregate rate for common welfare purposes increased from 21.30 to 23.75, or 2.45 mills. The most pronounced advances, in individual services, it will be observed, were in debt charges and conservation of health. It might be explained that while in determining the aggregate rate for all services for common welfare, the whole of the miscellaneous revenue was first deducted from the total expenses, in fixing the rates for individual services, no part of such revenue was deducted from the relative expenses, inasmuch as it was impracticable to properly apportion the same among the various services.

Comparing assessment with population, as a measure of gauging the trend of expense per capita, it will be found that the increases are much more marked than in the previous reference. In 1908, the assessment per capita was \$718.08, while in 1918 it was \$1,226.08, an advance of 70.74 per cent. This means that each mill on the assessment in 1918 represented 70.74 per cent more expenditure per capita than each mill did in 1908. In other words, if the assessment per capita in 1918 had been the same as it was in 1908, the expense for common welfare services last year would have called for a rate of no less



than 50.55 mills, or 29.25 mills in excess of that which obtained in 1908. A comparison of the 1908 per capita cost for the important common welfare services, with that of 1918, brings out the great increase in the burden which each individual is now bearing, compared with that of ten years ago. The increase for police service was from \$1.50 to \$1.92, or 42 cents ; fire protection from \$1.18 to \$2.76, or \$1.58 ; conservation of health, from 59 cents to \$2.27, or \$1.68 ; sanitation and drainage, from \$1.70 to \$2.23, or 53 cents ; highways, from \$1.13 to \$1.22, or 9 cents ; parks and recreation, from 54 to 70 cents, or 16 cents ; schools maintenance, from \$3.76 to \$7.05, or \$3.29 ; schools debt charges, from 56 cents to \$1.80, or \$1.24, and all debt charges, from \$3.73 to \$7.95, or \$4.22. The aggregate increase per capita was \$15.92, the cost having advanced from \$15.14 to \$31.06, or more than 100 per cent.

The expansion of municipal business enterprises, Civic Car lines, Toronto Hydro-Electric system, Municipal Abattoir, Waterworks, etc., which are not assessed, and therefore do not pay taxes, notwithstanding that they receive the full benefit of general municipal service, undoubtedly accounts for some of the increase in the general expenses of the City and of the tax rate. As it is impossible to determine, under the present system of tax exemption, the true cost of the services which these enterprises render, it is submitted that they should be assessed and contribute their proper share of taxes, as well as pay their way otherwise.

The cost of maintaining the various services of the City will, unquestionably, expand with its growth, but the increasing value of property, especially that not yet fully developed, and of the business wealth of the City, should, under normal conditions, produce a correspondingly larger assessment, so as to enable the larger outlays to be met without any important variation in the tax. A practically uniform reasonable rate would not only be greatly appreciated by the citizens, but would tend to attract and give confidence to industries seeking suitable locations.

The expenditure last year for war purposes, including Provincial War Tax of 1 mill, and debt charges on war expenditures funded, totalled \$4,816,759, and equalled 8.02 mills of the assessment. It has been deemed best to refer to this expenditure separately, owing to its special character, otherwise a wrong impression is apt to be gained of last year's tax rate compared with that of other years.

As 1919 will be the last year in which the City's expenditure for war purposes will be substantial, an estimated summary of the total amount that will have been spent by the Corporation on this account may be of interest. It will be in the neighborhood of \$13,500,000, or approximately \$135.00 for the head of each family group. The amount embraces 5¼ millions expended for life insurance on the lives of volunteer citizen soldiers, 2¼ millions for patriotic, relief and other grants, and the same for Provincial War Tax, 1915 to 1918, 1½ millions for wages of enlisted civic employees, and half a million each for interest on debt incurred for war purposes and for the protection of City property. In addition there were other small amounts, aggregating about \$200,000, while the future interest charges on the outstanding war debt will approximate 1 million.



**Tax Rate for Deficits on Municipal Enterprises**      The loss on account of special services, viz., Abattoir and Civic Car lines, in 1918, amounted to \$163,799, which was equivalent to a rate of .27 mills on the assessment. So long as these enterprises are conducted at a loss an addition must be made to the tax rate.

The tax rate required for the City's ordinary expenses, 22.77 mills (including schools 7.20 mills) together with that for losses on special services, .27 mills, and that for war purposes, 8.02 mills, totalled 31.06 mills, and with the taxation losses (about .61 mills) called for a rate of 31.67 mills, but owing to the application of extraneous revenue (1.02 mills) was reduced to 30.65 mills, although in view of a surplus having been brought forward from 1917, the actual rate levied was only 30½ mills.

This actual tax rate has increased very materially in the last six years. That in 1914 was 19¼ ; 1915, 23 ; 1916, 22½ ; 1917, 25½, and 1918, 30½ mills. As already noted, the ordinary administrative costs have increased, requirements for debt charges have become much heavier, and an entirely new form of expenditure, that for the war, has recently augmented the City's disbursements. On the other hand, in comparing the annual tax rates of the last decade, it must be kept in mind that the tax rate of the past was kept below normal by artificial means, sometimes by raising insufficient revenue to meet the expenditures, and consequently closing the year with a deficit, and again by unwarrantedly thrusting burdens upon future taxpayers, through issuing bonds for longer periods than the probable lifetime of the works. The situation created by this unsound method of financing had to be faced, and accounts partly for the increased tax rate of the last few years.

Only a brief reference will be made to the unremunerative or non-self-sustaining capital indebtedness of the City in relation to the assessment. This indebtedness is practically a mortgage upon the entire assessable property of the City. At the close of 1918 it amounted to \$58,833,731, against which there were in hand, sinking funds of \$13,530,465, leaving the net indebtedness at \$45,303,266, or 7.54 per cent. of the assessment. As already noted, the annual debt charges payable in connection therewith amounted to \$4,607,082, or 7.67 mills on the assessment.

A unique feature of the City's business in 1918 was the encouragement given by the Corporation to the civic employees to invest in the Victory Loan, and the hearty response made by the various staffs. The City purchased outright bonds for as many of the employees as desired them, but who were unable to pay for them by the recognized methods, and was reimbursed by regular deductions made for the period of a year, or less, from the employees' salaries, on the regular pay sheets. The civic investors as a unit organized the Civic Employees Victory Loan Organization, and set before themselves as objective the efficiency limit adopted by other employees' organizations, namely, 75 per cent. of the employees subscribing for an amount equal to 10 per cent. of the annual pay roll. Not only did they reach this goal, but they exceeded it by a very commendable margin. From the 3,515 civic employees, 2,854 applications, or 80 per cent of the number of employees, were received for \$550,250, or 12 per cent. of the annual pay roll.



In the period of re-adjustment and reconstruction, there will arise many difficult and complex problems, financial and otherwise. For some time conditions are likely to be unsettled and uncertain, and the continuance of high prices seems inevitable, with perhaps further inflation, accompanied by apparent as opposed to real prosperity, while taxation of all kinds promises to continue to be heavy. Yet, with the "Industry, Intelligence and Integrity" of our citizens to surmount whatever difficulties may be in prospect, as they have those of the war period, it is believed that the City's future can be anticipated with undiminished confidence, and that by the exercise of a judicious economy by Council and other Boards in the expending of civic funds, the provision of a reasonable reserve to carry revenue in arrears and to anticipate contingencies, the setting aside of unnecessary capital projects, and the carrying out of others only as urgently required, the strong and secure financial position in which the City finds itself to-day will be well maintained.

In conclusion, may it be stated that in the handling of large sums of money ; the collection of revenue and special assessments, now aggregating over \$25,000,000 ; the financing temporarily of the City's needs in anticipation of revenue, **Conclusion** and of the flotation of funded loans ; the negotiation of debentures ; the investment of sinking funds ; the due provision of funds to meet maturing liabilities here, in London and in New York ; the proper recording, accounting and reporting of business transactions ; the control of appropriations ; the preparation of estimates, and the furnishing of special reports and Government returns ; the custody of securities ; the effecting of insurance ; the planning in anticipation of future financial capital requirements consequent upon new enterprises, as the taking over of the Toronto Street Railway, and expansion of the City's present service — in all of these an earnest endeavor has been made by the Department to serve the best interests of the citizens, and this opportunity is taken of commending the zealous efforts of the staff in their exacting and important duties.

With the cessation of hostilities, we again extend to those of the staff who gallantly responded to their Country's call, sincere words of appreciation, and of hearty welcome in anticipation of the time when they will take their places among us again, but the gratitude we feel to those who laid down their lives for this cause can find no expression in mere words. We only hope that we may worthily cherish the heritage which they so hardly won for us.

Yours truly,

T. BRADSHAW,

Commissioner of Finance.







# Honor Roll



## CITY OF TORONTO

### TREASURY DEPARTMENT

†BIRMINGHAM, H.

BLAIR, H. S.

BROWN, REID

BROWNE, R. J.

COLEMAN, RICHARD

FERGUSON, G. S. L.

GRAHAM, A. J.

GRAY, THOMAS

\*HEWLETT, R. C.

HOARE, E. S.

JOB, CLARENCE

JOHNSTON, J.

JOHNSTON, WM.

LASCELLES, ARTHUR

LATIMER, R. C.

MACDONALD, ROBERT

McKAY, EVANS

McKEAG, STANLEY

MOORE, HERBERT M.

PARK, WM.

RUSSELL, GEORGE

SLACK, J. R.

SMALLEY, E.

STANLEY, ROBERT H.

TAIT, D. A.

\*WEDGEWOOD, RONALD

WILLOUGHBY, VICTOR W.

WINTERS, E.

\* Killed in action.

† Died of wounds.





# Financial and Supplementary Statements

## WITH EXPLANATORY NOTES

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## FINANCIAL STATEMENTS WITH EXPLANATORY NOTES

The present is the third consecutive Annual Report containing a complete balance sheet of the financial condition of the City, and the second containing a summary statement of revenue and expense, shewing operating results.

Formerly, the method of accounting in use by the City confined itself almost exclusively to revenues, appropriations, vouchers, cash and debt. In 1917, however, there was inaugurated a more modern system of accounting, with the object of shewing, currently and correctly, assets, liabilities, revenues and expenses, in addition to and distinct from appropriations or authorizations, and under which there are maintained proper accounts for this purpose, and to furnish such other information as is necessary for systematic and successful administration. Since then practically all of the City's accounts have been adjusted to conform to this plan, and it is hoped that from time to time still greater improvements and developments will be made, particularly along lines designed to afford the greatest assistance in furnishing the data required to form an intelligent opinion of the economy and efficiency of the different services and enterprises of the City. In carrying out the foregoing, the co-operation of the various civic departments and offices is confidently expected. Until such time, however, as there is in effect centralized control of the accounting and reporting, the most satisfactory results cannot be achieved.

### REVENUE AND EXPENSE STATEMENT

This sets forth those items which combine to produce the net current financial result, for the year, by way of current surplus or deficit. It comprises, on the one hand, the expense for the year, and the small portion of revenue absorbed in the cost of certain permanent assets, and, on the other hand, the revenue for the year. It includes, of course, the previous year's surplus or deficit. The net result is exhibited so as to shew the reserve required for appropriations already granted, and the surplus or deficit after such reserve has been provided.

The revenue absorbed in the acquiring of certain minor permanent assets, having thereby been converted from current into capital wealth, has been transferred to capital surplus.

Whatever current surplus or deficit results is, of course, brought forward to the following year, and is either available to meet future expenditure or must be provided from future revenue, as the case may be, thus modifying the amount of taxation revenue otherwise required to meet the estimated expenditure for the following year. In municipal finance the revenue is, of course, gauged through the tax rate to meet expense requirements.

It is, perhaps, almost needless to say that the current surplus or deficit is quite distinct from capital surplus. The former applies only to the ordinary current business of the City, and is disposed of each year, while the latter, being in the nature of permanent capital, obtains continuously.

While it is, of course, the aim to account for all items of expense and revenue in the same fiscal period in which they are incurred or accrue, any omitted amounts of a previous year are included in the current year. In 1918 there was specially charged off a large amount of war expenditure incurred in the year 1917, and carried over as an unfinanced expenditure. Inter-service transfers, that is, amounts charged or allowed to one service or enterprise of the City by another, as compensation for benefit conferred by one upon the other, enter into both revenue and expense.



## CONDENSED REVENUE AND EXPENSE

For the Year ended 31st December, 1918.

Debit.		Credit.	
General expenses	\$19,017,585.42	Taxation and general revenue.	\$23,218,757.99
War expenditure.	3,887,383.47	Reserve for deferred expenditure brought forward from 31st December, 1917.....	273,468.51
	<u>\$22,904,968.89</u>	Current surplus brought forward from 31st December, 1917.....	1,137,236.76
Transfer to capital surplus for assets acquired out of revenue.	221,438.96		
Reserve for deferred expenditure, carried forward.....	516,672.57		
Current surplus—available for appropriation.....	986,382.84		
	<u>\$24,629,463.26</u>		<u>\$24,629,463.26</u>
Transfer to sinking fund reserve.....	1,235,181.60	Interest earned on sinking fund investments.....	1,235,181.60
	<u><u>\$25,864,644.86</u></u>		<u><u>\$25,864,644.86</u></u>

Audited and approved,  
 SHOLTO C. SCOTT,  
 City Auditor.

T. BRADSHAW,  
 Commissioner of Finance.

## CONSOLIDATED BALANCE SHEET

This statement sets forth the assets and liabilities, current and capital surplus or deficit of the City. These are exhibited in two groups, "Current" and "Capital," according to their character. Current items are those of a more or less floating and non-continuous nature, and which obtain only for the time being. As distinguished from these, capital items are those which are of a more or less fixed and continuing character, and which remain practically constant, usually only being subject to change by way of addition and regular periodic modifications.

While current assets and liabilities contain, for the most part, current amounts pertaining to the City's ordinary business, viz., maintenance and operation of its services ; expense for overhead or debt charges ; incurrence of any other expenditure to be met directly out of revenue; the raising of its revenue; the rendering of certain services to private interests, etc., and such operations as are incidental to these—in other words, "running the City ;" they also embody current amounts, tentatively obtaining in connection with stores; properties for resale; capital outlays (funds on hand, temporary loans, accounts payable); and temporary custodianship of funds in a fiduciary capacity.

Capital assets and liabilities cover the amount of capital furnished for fixed investments through funded loans, special advances and surplus; the amount of such investments ; and the amount set aside for redemption of funded loans.

All current assets and liabilities are directly pertinent to "ready cash," apart from sinking funds. The assets comprise cash, and amounts to be shortly received in, or applied as, cash. The liabilities comprise, in the main, accounts payable ; temporary loans, if any ; trust funds subject to disbursement from time to time, and any other amounts temporarily held in abeyance.

Capital assets and liabilities directly relate to fixed indebtedness, and to capital loans, etc. They do not directly affect "ready cash" apart from the sinking fund, except only from time to time as funds are applied for redemption of capital loans.

Current assets and liabilities being subject to constant change, require daily attention, in connection with the administration of the City's finances, while capital items, although usually involving large amounts, call for special attention only at particular periods.

The difference between total current assets and liabilities represents :

(1) In the case of the assets being greater—the net amount provided by funded loan for capital outlay, and by revenue for discharge of capital indebtedness, which not having been used, is temporarily held for these purposes, and

(2) In the case of liabilities being greater—the net amount temporarily advanced on capital outlays, pending the securing of permanent loans therefor.

The foregoing difference, of course, enters into capital assets and liabilities, but in the opposite direction. The connecting links between the two divisions—current and capital—in which the City's assets and liabilities have been grouped, are represented by the difference referred to, which may be regarded as the net inter-divisional adjustment of amounts due between these divisions. In other words, it simply sets forth the net amount of funds tentatively held or used in one division, but ultimately belonging to the other.



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City of Toronto

Consolidated Balance Sheet

31st DECEMBER, 1918

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## CONSOLIDATED BALANCE SHEET

### ASSETS

#### CURRENT.

Cash in banks and on hand .....	\$2,836,075.88
Taxes due and unpaid.....	4,444,085.53
Accounts receivable.....	753,568.02
Revenue accrued but not due.....	249,777.95
Stores on hand.....	392,134.21
Properties held for re-sale.....	687,081.34
Deferred charges.....	7,022.50

<i>Total current assets</i> .....	\$9,369,745.43
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#### CAPITAL.

Sinking fund assets, cash and investments.....	\$28,073,357.39
Investment in Consumers' Gas Company Stock (at cost) .....	31,587.50
*Assessments for ratepayers' share of cost of local improvements.....	13,952,190.21
Advances for local improvements not yet assessed.....	1,004,371.28
Permanent assets—land ; parks ; buildings ; waterworks ; schools ; Toronto Hydro-Electric system ; Civic Car lines ; Municipal Abattoir ; general highway, sewerage, and water-front im- provements ; and miscellaneous equipment.....	100,378,063.63
War expenditure, rights, and benefits.....	6,769,847.93

<i>Total capital assets</i> .....	\$150,209,417.94
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NOTE : Funds provided for capital purposes but not yet applied therefor (net) .....	\$1,426,732.57
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<b>Total assets</b> .....	<b>\$159,579,163.37</b>
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\* Collections on account of these assessments are included in the Sinking Fund and retained therein until debentures mature.

### CAPITAL

#### DEBIT

Adjustment re reclamation improvements by Toronto Harbor Commis- sioners.....	\$ 64,925.69
Adjustments in account value of Corporation real estate holdings.....	510,685.88
Balance : Surplus 31st December, 1918, invested in permanent assets, carried forward .....	18,626,995.54
	<b>\$19,202,607.11</b>

### AUDITOR'S

I have verified the above Balance Sheet with the books of the City of Toronto and certify that it is correctly prepared therefrom, and that it is, in my opinion, properly drawn up so as to show the financial position of the Corporation as at the 31st December, 1918. I



## AS AT 31st DECEMBER, 1918

### LIABILITIES

#### CURRENT.

Accounts payable.....	\$1,736,909.74
Interest on funded debt, mainly due 1st January, 1919.....	2,046,567.92
Interest collectable in advance on ratepayers' share of local improvement debentures.....	363,316.82
Trust funds.....	1,632,597.29
Revenue in advance .....	222,605.45
Reserve for loss on taxes.....	437,960.23
Reserve for deferred expenditure.....	516,672.57
Current surplus—available for appropriation.....	986,382.84
<i>Total current liabilities and surplus .....</i>	<u><u>\$7,943,012.86</u></u>

NOTE: Funds for capital purposes (net) \$1,426,732.57

#### CAPITAL.

Funded debt.....	\$104,122,200.34
Toronto Harbor Commissioners re reclamation improvements.....	1,003,187.07
Sinking Fund reserve .....	27,633,857.26
Instalment debt redemption reserve.....	173,612.87
Sundry reserves.....	76,297.43
Capital surplus.....	18,626,995.54

*Total capital liabilities and surplus .....* \$151,636,150.51

Contingent liability in respect of debentures guaranteed by the City,  
for Municipal enterprises in which it is directly interested..\$8,075,000.00

**Total liabilities and surplus.....** \$159,579,163.37

## SURPLUS

### CREDIT

Balance brought forward from 31st December, 1917.....	\$18,974,055.15
Sundry adjustments.....	7,113.00
Transfer from current revenue for assets acquired out of revenue.....	221,438.96

\$19,202,607.11

T. BRADSHAW,

Commissioner of Finance.

## CERTIFICATE

have also verified the accompanying Revenue and Expense account for the year ended the 31st December, 1918. I have verified the cash balances and checked the securities.

Department of Audit,

Toronto, 25th June, 1919.

SHOLTO C. SCOTT,

City Auditor.

### STATEMENT OF CURRENT RESOURCES AND REQUIREMENTS

This statement exhibits, as at the close of the year, the City's immediate financial needs, including commitments, and the means for meeting them,—in other words, its current financial resources and requirements. The resources embody all the current assets, and the anticipated funds upon which appropriations have been predicated. As against these, the requirements include all current liabilities and unexpended appropriations or authorizations. Unprovided expenditures, and unappropriated surplus, are respectively shewn under resources and requirements. The statement discloses the co-ordination of actual assets and liabilities, the balances of appropriation and anticipated funds. It is a statement of financial provision, and in conjunction with the balance sheet, enables a clear view to be obtained of the financial affairs of the City.

While the balance sheet exhibits the financial condition of the City, apart from the contingent funds referred to, it might be somewhat misleading without being accompanied by the statement of resources and requirements, inasmuch as appropriations not being actual debts due to any one, cannot be included as liabilities, nor can anticipated funds not actually raised, be included as assets.



# RESOURCES AND REQUIREMENTS

As at 31st December, 1918.

## Resources.

Current Assets.....	\$9,369,745.43
Funds accumulated re Toronto-Hamilton Highway.....	235,100.01
Anticipated Funds:	
Debentures to be negotiated. ....	\$650,000.00
Loans authorized, final by-laws to to be passed :	
Local Improvements—already expended.....	1,004,371.28
Local Improvements—yet to be expended.....	547,818.96
General works—already expended..	\$82,983.85
General works—yet to be expended..	284,349.13
Grade Separation pending adjustments.....	165,949.69

NOTE: Total—already expended, \$1,253,304.82  
 —yet to be expended 1,482,168.09

Capital Expenditures—provision yet to be made.....

91,645.62

\$12,431,963.97

## Requirements

Current Liabilities.....	\$6,439,957.45
Funds for retirement of instalment debt (\$173,612.87, less adjustments \$10,000.52) .....	163,612.35
Funds offsetting sundry capital reserves (\$76,297.43, and adjustments \$34,083.61) .....	110,381.04
Appropriation balances—yet to be expended, funds actually raised :—	
Revenue funds (as per estimates) ..	516,672.57
Loan funds.....	2,732,789.63
Appropriation Balances—yet to be expended, funds to be raised:....	
Extension Toronto Hydro-Electric system .....	\$650,000.00
General works .....	284,349.13
Local Improvement works .....	547,818.96
Surplus Available for Appropriation in 1919.....	1,482,168.09
	986,382.84

\$12,431,963.97

### STATEMENT OF RECEIPTS AND DISBURSEMENTS

This shows in a summary and analytical way the receipts and disbursements, ostensibly of cash, on all accounts, during the past year, as is required under Provincial Government regulations.

Being entirely confined to the inflow and outgo of cash, the amounts given are simply those received and paid out during the year. The statement does not take into account "outstandings," "accruals," etc., and consequently, does not represent the true amount for the various items for the year, and must not be so construed. Correct operating results, or the true amount of revenue or expenditure, cannot be ascertained from this statement, but recourse must be had for these to that of revenue and expense.

It is respectfully submitted that the Province should, at an early date, require the municipalities to substitute for the "cash statement" which has practically no place in modern accounting, the "revenue and expense" statement, the effect of which would be, undoubtedly, to stimulate these bodies to maintain accounts and make returns along lines which would show their true financial position.

Practically the only feature of interest about a cash statement is that it shows in a general way, the volume of cash transactions during the year.



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Abstract of  
Receipts and Disbursements  
1918

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## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

For the Year ended 31st December, 1918

## RECEIPTS.

Cash on hand and in Banks 1st January, 1918 :

General Funds.....		\$833,328.24	
Sinking Funds.....		530,204.19	
			<u>\$1,363,532.43</u>
<b>Current Accounts :</b>			
Temporary Loans.....		\$3,000,000.00	
Current Taxes, due in 1918.....	\$17,155,449.76		
Less refunds.....	2,545.96		
		<u>\$17,152,903.80</u>	
Taxes due prior to 1918.....	\$2,776,617.70		
Less refunds.....	9,185.10		
		<u>2,767,432.60</u>	
			<u>19,920,336.40</u>
Civic Street Railway : Advertising....		\$1,464.00	
“ “ “ Fares.....		330,877.57	
			<u>332,341.57</u>
Toronto Railway Co. . Mileage .....		\$98,817.20	
“ “ “ Percentage of receipts		1,046,495.24	
			<u>1,145,312.44</u>
Toronto Suburban Railway : Mileage.			451.48
Water Rates—Public.....	\$1,708,928.21		
Less refunds.....	39,017.65		
		<u>\$1,669,910.56</u>	
Water Rates—City services, etc.....		726,734.56	
			<u>2,396,645.12</u>
Provincial Government, re administration of justice...		\$30,552.41	
“ “ “ re railway tax revenue.....		6,552.00	
			<u>37,104.41</u>
County of York, re administration of justice .....			9,114.32
Administration of Justice—Sundry fees and refunds .....			1,669.13
Police Court Fines and Fees.....	\$236,827.45		
Less refunds.....	58,006.90		
		<u>\$178,820.55</u>	
Juvenile Court Fines and Fees.....	\$1,809.18		
Less refunds.....	50.00		
		<u>1,759.18</u>	
			<u>180,579.73</u>
Licenses—General.....		110,806.28	
Rental of City Properties.....		269,501.25	
Contractors' Deposits.....		25,304.09	
“ Drawbacks.....		215,296.46	
Canadian National Exhibition.....		90,597.74	
Interest and Discount.....		362,766.15	
Accrued Interest on Debentures sold.....		75,920.86	
Toronto Hydro-Electric System—Repayment of loan.....		100,000.00	
“ “ —Debt charges .....		543,090.07	
Dishonored cheques repaid (contra).....		93,214.92	
Civic Employees Victory Loan Purchase.....		25,919.35	
Tax Sale Redemption (contra).....		15,678.18	
Tax Lands—Excess over book value from re-sale of .....		3,654.46	
War Purposes.....		63,327.76	
Miscellaneous.....		143,235.99	



## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

For the Year ended 31st December, 1918.

## DISBURSEMENTS.

## Current Accounts.

Temporary Loans Repaid.....	\$5,000,000.00
Debenture Interest.....	4,376,470.57
Interest and Discount.....	302,163.30
Accrued Interest re debenture sale.....	1,424.70
Dishonored cheques (repaid contra).....	91,831.92
Taxes Remitted—Vacancy allowances.....	26,434.14
Tax Sale Redemptions (contra).....	15,804.57
Civic Employees Victory Loan Purchase.....	183,582.70
Provincial Government War Tax, 1917-1918.....	1,194,895.80
War Purposes.....	3,027,957.76
Improvement of highways leading to City.....	78,405.57
Expropriation of water lots.....	96,078.89
City's Share of Local Improvements.....	56,160.08
Schools.....	3,464,303.14
Public Libraries.....	149,500.00
Administration of Justice.....	175,841.14
Statutory or Fixed Grants.....	14,725.00
Special Grants.....	13,269.00
Contractors' Drawback.....	147,621.37
"    Deposits refunded.....	25,689.09
Miscellaneous.....	108,401.40

## DEPARTMENTAL EXPENDITURE:

Architect's Department.....	\$ 64,742.83
Assessment ".....	125,831.81
Audit ".....	14,827.53
City Clerk's ".....	102,314.55
City Council ".....	35,912.50
Court of Revision.....	5,034.03
Fire Department.....	1,335,618.29
Law ".....	36,467.67
Miscellaneous accounts—sundry departments.....	47,742.23
Parks Department.....	421,772.62
Police ".....	975,388.50
Property ".....	1,042,202.52
Jail maintenance.....	33,226.88
Public Health Department—	
General.....	\$478,018.26
Hospitals and homes.....	643,396.11
Sanitary conveniences.....	7,023.05
	<hr/>
	1,128,437.42
Relief Department.....	8,217.79
Social Service Commission :	
General.....	\$12,492.79
Charitable grants.....	77,661.43
	<hr/>
	90,154.22
Street Cleaning Department.....	979,331.99
Treasury Department.....	352,345.63
Telephone switchboard.....	3,209.61
Works Department :	
General.....	\$1,178,895.51
Civic Car Lines.....	299,437.22
Waterworks Branch.....	1,033,191.88
	<hr/>
	2,511,524.61
	<hr/>
	9,314,303.23
	<hr/>
	27,864,863.37

## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

## RECEIPTS—Continued

DEPARTMENTAL RECEIPTS : :	FEES.	SUNDRIES.	
Architect's Department .....	\$16,763.50	.....	
Assessment " .....	.....	\$ 483.76	
Audit " .....	1,826.25	.....	
City Clerk's " .....	.....	1,516.55	
Fire " .....	.....	2,901.88	
Law " .....	1,317.92	.....	
Parks " .....	2,678.45	15,751.36	
Police " .....	.....	995.95	
Property " .....	25,342.77	294,939.34	
Public Health " .....	22,555.60	17,521.99	
Street Cleaning " .....	1,673.10	8,587.36	
Treasury.. " .....	2,991.04	39,194.41	
Works Department :			
General.....	8,798.02	370,827.41	
Civic Car Lines.....	.....	124.25	
Waterworks Branch .....	.....	44,573.15	
Miscellaneous.....	.....	1,984.60	
	<hr/>	<hr/>	
	83,946 65	799,402 01	883,348.66
	<hr/>	<hr/>	<hr/>
			\$30,045,216.82

## Capital Accounts.

Debentures sold.....	\$7,093,102.74
Discount on Local Improvement Debentures.....	21,978.19
Sinking Fund Investments.....	2,792,434.15
Sinking Fund Reserve—Interest on investments, etc.....	1,292,792.81
Toronto Hydro-Electric System—Debt charges.....	184,229.16
" " —Refunds.....	212.70
Corporation Real Estate.....	65,475.20
Miscellaneous (Local Improvement Drawbacks).....	5,938.63

## Departmental Receipts :

Parks Department.....	\$ 6,702.27	
Works " —General.....	410,748.70	
" " —Civic Car Lines.....	686.00	
" " —Waterworks Branch.....	35,034.54	
Property " .....	11.60	
Treasury.. " .....	2,868.00	
	<hr/>	
	456,051.11	
	<hr/>	
		11,912,214.69

## Trust Accounts.

Trust Funds received by City.....	\$ 3,163.51	
Insurance on lives of enlisted citizens.....	1,399,976.52	
Wages of employees on active service.....	83,894.84	
	<hr/>	
		1,487,034.87
		<hr/>
		<b>\$44,807,998.81</b>
		<hr/>

T. BRADSHAW,  
Commissioner of Finance.

Audited and approved,  
SHOLTO C. SCOTT,  
City Auditor.



# ABSTRACT OF RECEIPTS AND DISBURSEMENTS

## DISBURSEMENT—Continued

### Capital Accounts.

Debentures redeemed.....	\$3,298,366.43	
Temporary Note-Loan and interest .....	7,857.50	
Sinking Fund Investments.....	5,118,028.43	
Accrued Interest on Investments.....	37,385.33	
Disbursements re Toronto Hydro Debenture sale .....	817.70	
Discount and sales expenses on debentures.....	335,697.54	
Toronto Hydro-Electric System—Debenture sale.....	736,000.00	
Toronto Harbor Commission—Reclamation improvem'ts .....	61,216.15	
Improvement of highways leading to City.....	3,000.00	
Miscellaneous (local improvements).....	183,233.39	
Board of Education—Capital advance .....	305,000.00	
		<u>\$10,086,602.47</u>

### DEPARTMENTAL EXPENDITURE :

Parks Department .....	\$ 16,997.81	
Property " .....	24,982.98	
Works " —General.....	1,160,715.95	
" " —Civic car lines .....	143,486.27	
" " —Waterworks branch.....	451,717.68	
		<u>1,797,900.69</u>
		<u>11,884,503.16</u>

### Trust Accounts.

Trust funds disbursements.....	\$ 78,711.89	
Wages of employees on active service.....	148,791.48	
Insurance on lives of enlisted citizens.....	1,241,507.62	
		<u>1,469,010.99</u>
Cash on hand and in banks, 31st December, 1918 :		
General Funds .....	\$2,834,535.66	
Sinking " .....	755,085.63	
		<u>3,589,621.29</u>
		<u><u>\$44,807,998.81</u></u>

Certified correct,  
 SHOLTO C. SCOTT,  
 City Auditor.

T. BRADSHAW,  
 Commissioner of Finance.

## REVENUE FOR YEAR 1918.

## SUMMARY CLASSIFICATION OF YEAR'S REVENUE ACCORDING TO SOURCE.

<b>Taxation</b> —Yield from total tax rate of 30½ mills on the dollar on main assessment of \$600,778,045 (less provision for losses) : general tax 15.06 mills ; school tax, 7.20 mills ; war purposes and provincial war tax, 8.24 mills ; respectively on assessment liable therefor . . . . .	\$17,976,702.10
<b>License, Permit and Inspection Fees</b> —For licensing various businesses and callings ; permitting to build, operation of elevators, and sundry privileges ; and inspecting electric signs, etc. . . . .	136,244.34
<b>Rents General</b> —Of properties and privileges, market space, market block lots ; water lots ; Front Street property originally for public walks and gardens ; Island properties ; refreshment privileges, etc., in parks and at Island ; sewer connections ; street areas, and minor items . . . . .	241,249.40
<b>Sundry Services Fees</b> —Cattle market, etc.; weigh scales; isolation hospital; drain inspection; dental services; public baths; removal of waste; tax certificates, etc. . . . .	44,677.31
<b>Canadian National Exhibition</b> —Moneys paid to City as per lease between City and Canadian National Exhibition Association . . . . .	90,597.74
<b>Interest and Penalties</b> —On overdue taxes in excess of discounts on taxes paid in advance . . . . .	193,166.20
<b>Dividend on Stock</b> —Consumers' Gas Company . . . . .	1,500.00
<b>Interest Reimbursement on Local Improvement Construction Advances</b> . . . . .	136,774.17
<b>Railway Tax</b> —Received from Provincial Government . . . . .	6,552.00
<b>Administration of Justice</b> —Police and Juvenile Court fees and fines and Division Court jury fees . . . . .	180,328.85
<b>Administration of Justice</b> —Reimbursement by Provincial Government and by County of York . . . . .	73,098.44
<b>Industrial Farm</b> —Revenue from farming operations . . . . .	9,495.70
<b>Tax Lands</b> —Excess, over book value, from re-sale lands acquired for taxes . . . . .	3,613.55
<b>Works Department</b> —Net adjustment of accounts for asphalt plant, plant and tools, engineering and cut repairs . . . . .	34,806.94
<b>Miscellaneous</b> . . . . .	9,022.97
<b>Toronto Railway Company Franchise</b> —Track mileage rental and percentage of receipts . . . . .	1,145,312.44
<b>Toronto Suburban Railway Company Franchise</b> —Track mileage rental . . . . .	451.48
<b>Waterworks System</b> —Water rates including City supply and sundry rentals . . . . .	2,448,081.69
<b>Civic Car Lines</b> —Passenger fares and rent of advertising space . . . . .	331,724.04
<b>Civic Abattoir</b> —Sale of by-products ; killing and cooler charges ; cold storage fees, etc. . . . .	155,358.63
	<b>\$23,218,757.99</b>



# REVENUE EXPENDITURE FOR YEAR 1918

## CLASSIFIED BY DEPARTMENTS.

An endeavor has been made to set down departmentally, the year's revenue expenditure according to the more or less direct responsibility therefor. Items not assignable to any specific department, but for which the municipality at large is directly responsible, are placed under the caption "At Large." Preceding the somewhat detailed statement of expenditures is a summary of departmental totals.

## SUMMARY OF REVENUE EXPENDITURE

For the Year ended 31st December, 1918.

DIVISIONS	EXPENSE.	REVENUE CAPITAL OUTLAY	TOTAL.
1. At Large.....	\$14,234,212.70	\$96,078.89	\$14,330,291.59
2. City Council.....	77,028.45	.....	77,028.45
3. City Clerk's Department.....	103,324.65	.....	103,324.65
4. Treasury Department .....	408,850.96	.....	408,850.96
5. Assessment Department.....	126,040.45	.....	126,040.45
6. Court of Revision.....	5,034.03	.....	5,034.03
7. Law Department.....	35,683.95	.....	35,683.95
8. Claims Commission.....	8,205.40	.....	8,205.40
9. Audit Department.....	14,827.53	.....	14,827.53
10. Fire Department.....	1,332,557.37	2,993.25	1,335,550.62
11. Architect's Department.....	64,537.52	.....	64,537.52
12. Police Department.....	933,147.37	.....	933,147.37
13. Juvenile Court.....	15,443.89	.....	15,443.89
14. Courts, General, and Inquests ..	124,954.81	.....	124,954.81
15. Social Service Commission....	90,263.82	.....	90,263.82
16. City Relief Office.....	8,405.56	.....	8,405.56
17. Public Health Department.....	1,114,093.50	.....	1,114,093.50
18. Street Cleaning Department...	959,425.83	7,834.15	967,259.98
19. Works Department.....	1,977,457.95	66,155.72	2,043,613.67
20. Property Department.....	905,595.27	5,800.93	911,396.20
21. Telephone Switchboard.....	3,151.85	.....	3,151.85
22. Parks Department.....	362,726.03	42,576.02	405,302.05
	<u>\$22,904,968.89</u>	<u>\$221,438.96</u>	<u>\$23,126,407.85</u>

## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS

For the Year ended 31st December, 1918.

### 1. At Large :

Debt Charges—Interest on and redemption of all funded loans except Ratepayers' Share of Local Improvement and Toronto Hydro-Electric System.....	\$5,888,861.16
Schools and Education—School rates (exclusive of debt charges); maintenance pupils in Industrial Schools ; Teachers' Institutes' grants.....	3,453,387.68
Library Rates—Allowed by statute to Public Library Board, R.S.O., Chap. 202, Sec. 12 .....	149,500.00
Toronto University Endowment—52 Vic. Chap. 53, for additional privileges, re Queen's Park Avenue—annual payment in perpetuity .....	6,000.00
Art Museum—Annual grant, 1 Geo. V., Chap. 119, Sec. 3. (Year and one-half included 1918).....	7,500.00
Highways Outside City—City's proportion of expenditure under statutory provision, on Toronto and Hamilton Highway and on Township of York Suburban Highways.....	166,440.03
Harbor Board Improvements—Amount payable to Harbor Board (covering interest and part of cost) re improvements as per agreement.....	61,216.15
Provincial War Tax—1 mill on assessment.....	605,727.72
Miscellaneous.....	8,196.49
Special—War expenditure (including patriotic grants, insurance on lives of enlisted citizens, wages of enlisted civic employees and sundry other items) to end of 1918, in excess of amount provided by funded loans.....	3,887,383.47
*Expropriated Waterfront Properties—Cost met in 1918 since liability not previously determined nor provided.....	96,078.89
Total.....	<u>\$14,330,291.59</u>

### 2. City Council :

Remuneration of Members—Mayor, Controllers, and Aldermen.....	\$ 23,968.75
Salaries Mayor's Office staff.....	7,043.75
Auto Service—Care of cars, auto hire, and new car.....	9,525.75
Legal Fees—Dominion legislation re Toronto and Niagara Power Co.....	6,569.95
Registry Office—Recording machines.....	1,000.00
Receptions and Travelling Expenses.....	7,561.21
Special Grants—including membership fees of sundry municipal associations...	12,444.00
Miscellaneous.....	8,915.04
Total .....	<u>\$77,028.45</u>

### 3. City Clerk's Department :

General Administrative Services.....	\$ 25,532.99
Election Expenses—Preparing and printing voters' lists and general expenses of elections.....	30,616.91
Tax Collection—Preparing tax collectors' rolls.....	14,619.52
Vital Statistics—Registering births, marriages and deaths.....	4,253.90
Advertising, Printing and Stationery.....	24,915.18
Registry Office—Stationery .....	1,138.70
Miscellaneous.....	2,247.45
Total.....	<u>\$103,324.65</u>

\* Revenue capital outlay.



## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 4. Treasury Department :

General Administrative Services .....	\$101,052.99
Tax Collection—Billing, collecting, posting rolls, etc.; salaries and sundry expenses .....	67,953.92
Waterworks—Service-rating and revenue collection .....	69,293.18
License Office.....	7,630.31
Interest on Temporary Loans.....	85,798.43
Exchange .....	65,040.57
Bankers' Charges—For redemption debenture interest coupons and debentures matured .....	9,992.52
Miscellaneous.....	2,089.04
	<hr/>
Total.....	\$408,850.96
	<hr/>

### 5. Assessment Department :

General Administrative Services—Making assessments, purchasing, renting, and selling properties, etc.....	\$114,990.29
Survey Branch—Making surveys, furnishing plans, descriptions, etc., of property .....	11,050.16
	<hr/>
Total.....	\$126,040.45
	<hr/>

### 6. Court of Revision :

General Administrative Services—Revising and confirming assessments.....	\$5,034.03
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### 7. Law Department :

General Administrative Services—Salaries, and office expenses, outside counsel fees, judicial costs.....	\$35,683.95
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### 8. Claims Commission :

Damage Claims and Incidental Costs—Re damages alleged due to City's negligence .....	\$8,205.40
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### 9. Audit Department :

General Administrative Services—Salaries and office expenses .....	\$14,827.53
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### 10. Fire Department :

Water Supply for Fire Protection—Charge based on proportionate division of estimated waterworks expenses, between fire and domestic supply, in ratio of estimated expenses of a separate system for fire protection to estimated total expenses for two separate systems for both fire protection and domestic supply.....	\$697,690.00
Salaries of fire brigade, and other members of department.....	489,631.80
Upkeep and renewal of equipment ; supplies, uniform clothing, etc.....	86,921.91
Fuel, light and water for fire halls.....	21,343.77
Fire, liability, boiler insurance, and miscellaneous.....	9,669.89
Annual grant to Benefit Fund.....	27,300.00
*Addition to plant and equipment.....	2,993.25
	<hr/>
Total.....	\$1,335,550.62
	<hr/>

\* Revenue capital outlay.

## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 11. Architect's Department :

General Administrative Services and general control of building construction and safety, building installations, etc.; erecting City buildings.....	\$64,537.52
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### 12. Police Department :

Salaries police magistrates, constables, detectives, matrons, court clerks.....	\$834,302.14
Clothing, equipment, special detective service, ambulance service, patrol and signal service, cleaning stations, and sundries.....	74,557.38
Fuel, light and water for stations, and office supplies.....	14,287.85
Annual Benefit Fund contribution.....	10,000.00
Total.....	\$933,147.37

### 13. Juvenile Court :

Salaries of Judge and officers, and sundry expenses.....	\$15,443.89
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### 14. General Courts and Coroners' Inquests :

Non-indictable Cases, City and County joint administration:—fees, allowances and disbursements to court officers ; constables' fees ; jurors' fees ; and sundries (portion returnable by County).....	\$56,334.67
Indictable Cases, City and County joint administration:—fees, allowances and disbursements to court officers ; constables' fees ; detectives' accounts ; and outside Sheriff's accounts (fully returnable by Provincial Government).....	40,568.53
Crown Witness Fees on City Cases (third returnable by Prov. Government)	6,169.14
Medical examination of, sundry certificates re, and conveying of City prisoners ; sheriff's returns ; court crier ; and sundries.....	7,470.02
Coroners' Fees and Allowances City Cases (one-half chief coroner's salary, and all other coroners' fees returnable by Provincial Government).....	6,446.00
Jury and witness fees at, medical services and sundry expenses re, inquests on City cases.....	7,966.45
Total.....	\$124,954.81

### 15. Social Service Commission :

Investigating maintenance claims of public dependents and considering applications of various social and philanthropic institutions for financial assistance, supervision of outdoor relief, etc.....	\$12,549.00
Charitable Grants—To Children's Aid Societies ; House of Industry ; House of Providence ; children's institutes and other charitable and philanthropic homes and institutions.....	77,714.82
Total.....	\$90,263.82

### 16. City Relief Office :

Relief of poverty, costs burying indigents, investigating applications for admission to hospitals on City order.....	\$8,405.56
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## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

## 17. Public Health Department :

General Departmental Administration—Salaries and incidental expenses.....	\$25,328.93
Medical inspection of schools (except nurses' services) dental service at schools and hospitals ; supervising baby and maternity homes ; medical diagnosis and examinations ; child hygiene study ; maintaining quarantine and disinfecting ; special ambulance service ; morgue, etc., expenses.....	86,498.46
Services of nurses and assistants discovering and co-operating with tuberculosis patients ; assisting chiefly in advisory capacity in cases of sickness generally ; co-operating in general child welfare work and in work of philanthropic, social and charitable organizations ; services at schools and miscellaneous nursing services.....	111,597.63
Supervision of water and milk supply ; laboratory diagnosis of contagious diseases ; and miscellaneous laboratory work.....	41,007.83
Isolation Hospitals—Maintenance and operation of : Hospital staffs, medical, nursing, caretaking, domestic, etc.; food, drugs, supplies, etc.; heat, light, water, and upkeep of buildings.....	101,289.65
Vital Statistics—Case, and other departmental records, and Social Service co-operation.....	10,649.47
General inspection and control of meat and other food except milk, both as to standard quality and weight requirements.....	10,697.63
Supervision of housing and industrial hygienic conditions ; inspection of restaurants, bake-shops, laundries and general sanitary supervision and control ; plumbing and drainage inspection.....	67,707.79
Influenza Epidemic, expenses .....	24,757.87
Hospitals and Homes—Care and treatment of indigent patients per city order, less sundry amounts collected from, or on account of patients.....	483,349.43
Special Grants to Hospitals—Mainly on account of operating deficits .....	151,208.81
Total.....	<u>\$1,114,093.50</u>

## 18. Street Cleaning Department :

General Administration—Salaries, office and miscellaneous expenses.....	\$37,611.93
Cleaning, watering, and oiling roads, collecting and removing private and street refuse, removing snow from roadways, as follows :	
Stable and Shop.....	\$143,367.57
Street Cleaning Patrol and Cleaning culverts.....	184,207.90
Watering and Oiling Roads—Wages, water supply, road oil and miscellaneous.....	27,441.77
Snow Removal—Wages and miscellaneous.....	58,827.71
Removing Refuse—Wages of collectors, and miscellaneous expenses.....	416,148.79
Motor Trucks—Expenses re, undistributed.....	2,728.00
	<u>832,721.74</u>
Disposal and Destruction of Refuse—Maintenance and operation of destruction plants ; wages of men at dumps.....	81,838.16
Pension Allowances.....	7,254.00
*Addition to Plant and Equipment.....	7,834.15
Total.....	<u>\$967,259.98</u>

\* Revenue capital outlay.

## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

## 19. Works Department :

## General Maintenance of Highways as follows :

General repairs to roadways, sidewalks and bridges, and sundry highway improvements.....	\$203,023.28	
Keeping highways safe and designating for traffic—protecting level crossings; inspecting areas and overhanging signs, awnings, etc., and designating by sign tablets, street names and numbers . . . .	\$31,502.00	
Cleaning off snow and ice.....	98,526.78	
Weed Cutting on highways.....	819.27	
		333,871.33

General Maintenance of Sewers and Drainage System and Disposal of Sewage—Repairing breaks of, flushing and inspecting sewers ; operating sewage pumping stations (raising flow to higher level where needed); operation, maintenance, and sundry improvements of sewage disposal works.....		132,941.96
Marine Plant—Operation of tugs, derrick and scows.....		10,444.18
War Bonuses (undistributed).....		54,426.67
Insurance (undistributed).....		19,259.48
Garage Service.....		16,500.00
Workmen's Compensation and Miscellaneous Items.....		10,250.55
Toronto Railway Track Allowance Pavements—Repairs and reconstruction of (additional to amount from funded loans) .....		64,707.80
Toronto Railway Line to Harbor Industrial District—Portion of cost borne by City.....		9,242.47
Waterworks Operation and Maintenance (exclusive of special independent high pressure system supply for fire protection only) as follows :		
Pumping Water and Maintaining Pressure on Mains—Operation and maintenance of pumps, pumping station expenses, part cost new pump.....	\$477,125.38	
Purifying Water Supply—Operating filtration plant, treating water with chlorine, etc.....	207,588.94	
Maintaining System of Distribution—Upkeep of mains, meters, hydrants, reservoir, etc.; cost new meters, hydrants, and valves.....	310,434.18	
Miscellaneous.....	7,494.98	
		1,002,643.48

Fire Protection—Operation and maintenance independent high pressure water supply system for fire purposes only.....		12,283.82
Toronto Civic Railway—Maintenance of way, structures and equipment, operation of cars (including power purchased), general expenses and damages and cost of Bloor Street temporary extension.....		306,942.58
Expenses re street railway lines, owned but not operated by City.....		3,943.63
*Strachan Avenue Bridge—Portion of cost of bridge, on account of property damages (additional to amount met by funded loans).....		27,258.78
*Yonge Street Relief Sewer—Portion of cost of sewer (additional to amount met by funded loans).....		26,358.86
*Addition to plant and tools.....		12,538.08
Total.....		\$2,043,613.67

\* Revenue capital outlay.



## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

## 20. Property Department :

Lighting city thoroughfares and parks.....	\$ 278,329.70
General Public Buildings, Markets, Bathing Stations, etc.—Upkeep and supervision of, including public halls, public baths, public lavatories, general and cattle markets, weigh scales, free bathing stations, labor bureau.....	158,111.28
Registry Office—General upkeep of building, including telephone service.....	17,534.22
City Hall Maintenance—Caretaking ; operating, heat, light, water, and miscellaneous.....	104,520.37
Fire Protection—Repairs and sundry furnishings of fire halls.....	9,192.95
Police Service—Repairs to sundry police stations.....	1,510.75
Industrial Farms—Maintenance and custody of prisoners and upkeep of accommodation ; conduct of farming operations.....	105,233.43
Jail, custody and maintenance of prisoners, and upkeep of building.....	30,668.40
Garage—expense undistributed.....	6,789.36
Insurance—undistributed.....	15,705.38
Coal inspection, etc.—Inspecting weight of coal, securing elimination of smoke nuisance.....	7,035.85
Miscellaneous.....	2,834.23
Municipal Abattoir—Slaughtering for dealers ; maintenance slaughtering accommodation ; cold storage warehousing ; dealing in by-products, including cost goods sold, etc.....	168,129.35
*Industrial Farms' Improvements—Portion of cost of sundry improvements, additional to amount met by funded loans.....	5,800.93
Total.....	<u>\$911,396.20</u>

## 21. Telephone Switchboard :

Switchboard—Operators' salaries.....	<u>\$3,151.85</u>
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## 22. Parks Department :

General Administration—Salaries, office supplies and miscellaneous expenses..	\$40,078.98
Upkeep generally of parks and grounds maintained as park areas, including sporting areas in parks, maintenance park zoological sections and zoo animals	180,881.44
Supervised Playgrounds—Supervision of children and upkeep of grounds and apparatus.....	40,627.78
Rinks and Toboggan Slides—Cost of flooding and maintaining free skating rinks and toboggan slides.....	20,183.07
Forestry—Supplying and care of trees in street boulevards and in parks.....	37,006.55
Insurance—undistributed.....	12,470.00
Exhibition Buildings—Repairs and general upkeep ; caretaking and watchmen's service.....	31,478.21
*Humber Boulevard Improvements.....	11,035.62
*Addition to plant and equipment.....	8,473.00
*Humber Property Acquisition—Cost met in 1918 since liability not previously determined nor provided.....	23,067.40
Total.....	<u>\$405,302.05</u>

Grand Total..... \$23,126,407.85

\* Revenue capital outlay.

## REVENUE EXPENDITURE FOR YEAR 1918

### CLASSIFIED BY SERVICE

In the following table an effort has been made to give, under four main headings—debt charges, other fixed charges, general maintenance, and revenue capital outlays, a bird's eye view of the revenue expenditure for the year, classified according to the general services into which, broadly speaking, the City's activities may be said to fall, without reference to departmental responsibility therefor. In several instances, expenditure for the same general service is made by different departments, so that the full cost thereof does not come under any one. The most suitable summary classification of expenditure is not always easy to determine, but it is believed that the one presented will suffice in a general way. As a basis for preparing the annual estimates, and for comparative purposes, it is most desirable to standardize accounts for services, as far as is practicable ; moreover, this would have the advantage of insuring uniformity in the statements presented from time to time, and permit of their being compiled much more readily.



## REVENUE EXPENDITURE FOR YEAR 1918

## CLASSIFIED BY SERVICE

SERVICE	FUNDED DEBT CHARGES	OTHER FIXED CHARGES	MAIN- TENANCE CHARGES	REVENUE CAPITAL OUTLAYS	TOTAL
COMMON WELFARE :					
Protection :					
Police and administration of justice.....	\$ 58,535.23	\$ 10,000.00	\$1,200,958.65	\$ 5,800.93	\$1,275,294.81
Registry office.....	44,552.43	.....	19,672.92	.....	64,225.35
Fire (including water) ....	62,172.33	27,300.00	1,326,734.14	2,993.25	1,419,199.72
Safety of buildings.....	.....	.....	64,537.52	.....	64,537.52
Health (including hospital care).....	104,505.56	.....	1,114,093.50	.....	1,218,599.06
Sanitation and drainage (except local improvements)	431,930.89	.....	1,092,367.79	34,193.01	1,558,491.69
Local improvements, City's share.....	1,055,012.89	.....	.....	.....	1,055,012.89
Highways (except local im- provements).....	320,588.10	6,000.00	599,418.65	27,258.78	953,265.53
Parks and recreation.....	183,995.33	61,216.15	343,962.20	138,654.91	727,828.59
Miscellaneous and undistri- buted :					
General administration and revenue collection.....	.....	.....	523,993.58	.....	523,993.58
City and county building	121,913.57	.....	107,672.22	.....	229,585.79
Miscellaneous.....	27,855.71	.....	158,111.28	.....	185,966.99
Charities.....	.....	.....	99,369.38	.....	99,369.38
Bonuses to railways.....	57,494.90	.....	.....	.....	57,494.90
Waterfront and Don river improvements (except parks).....	125,907.72	.....	.....	.....	125,907.72
Highways outside City....	.....	100,534.46	65,905.57	.....	166,440.03
Interest on temporary loans	.....	85,798.43	.....	.....	85,798.43
Exchange.....	.....	65,040.57	.....	.....	65,040.57
Minor and unclassified....	135,069.58	9,992.52	184,992.26	12,538.08	342,592.44
Educational :					
Schools.....	882,794.10	.....	3,453,387.68	.....	4,336,181.78
Libraries.....	14,389.96	.....	149,500.00	.....	163,889.96
Exhibition—annual Canadian National.....	88,988.71	.....	31,478.21	.....	120,466.92
War purposes.....	323,647.41	605,727.72	3,887,383.47	.....	4,816,758.60
TOTAL COMMON WELFARE..	\$4,039,354.42	\$971,609.85	\$14,423,539.02	\$221,438.96	\$19,655,942.25
PUBLIC SERVICE ENTERPRISES AND SPECIAL SERVICES:					
Waterworks.....	829,339.04	.....	1,071,936.66	.....	1,901,275.70
Civic car lines.....	151,394.77	.....	306,942.58	.....	458,337.35
Civic abattoir.....	25,614.67	.....	168,129.35	.....	193,744.02
Street railway franchise.....	843,158.26	.....	73,950.27	.....	917,108.53
GRAND TOTAL.....	\$5,888,861.16	\$971,609.85	\$16,044,497.88	\$221,438.96	\$23,126,407.85

## FUNDED DEBT AND RESERVES FOR REDEMPTION

As at 31st December, 1918

### CLASSIFIED ACCORDING TO PURPOSE OF ISSUE

In the following statement there are set down both the gross and the net amounts of the City's funded debt, classified according to purpose of issue, the respective sinking and other funds reserved to meet the indebtedness, and, in addition, the relative annual debt charges. While the City's gross funded debt was \$104,122,200, its net funded debt (taking all reserves into consideration) was \$76,324,730, the sinking and other funds reserved to meet the debt accounting for the difference, viz., \$27,797,470. The annual debt charges amount to \$8,603,525.

Of the total debt, \$17,594,208 is repayable in regular annual instalments, and the balance, \$86,527,992, is repayable at the end of fixed terms of years ; provision for retiring the former being made almost concurrently with the maturity of the debentures, and for the latter, by the accumulation of a sinking fund which is sufficient at the maturity of the debt for its retirement. At the end of the year there was a reserve of \$163,613 for retirement of debentures of instalment loans maturing in 1920 and for overdue bonds, and a sinking fund reserve of \$27,633,857 for retirement of debentures of sinking fund loans and commutation of local improvement rates for former loans.



## FUNDED DEBT AND RESERVES FOR REDEMPTION

DEBT CLASSIFICATION	GROSS DEBT	RESERVES FOR REDEMPTION	NET DEBT	ANNUAL DEBT CHARGES
COMMON WELFARE PURPOSES:				
Protection :				
Police service and admin. of justice :				
Police stations.....	\$ 393,841	\$ 100,800	\$ 293,041	\$ 21,432
Industrial farms.....	496,222	34,444	461,778	37,227
Registry office.....	726,680	41,697	684,983	46,452
Fire protection—Fire halls .....	1,295,524	269,050	1,026,474	67,754
Health :				
Hospital grants, etc.....	1,514,316	206,466	1,307,850	87,110
Isolation hospital.....	170,680	89,188	81,492	22,159
Sanitation and drainage (no local impr'ts)				
Main sewers.....	5,930,540	845,116	5,085,424	345,406
Garbage disposal.....	1,076,145	231,540	844,605	88,116
Local improvements, City's share.....	9,260,678	2,893,608	6,367,070	1,181,380
Highways (except local improvements):				
Bridges.....	1,041,407	128,087	913,320	62,784
Railway viaducts and subways.....	3,246,619	488,475	2,758,144	192,727
Railway grade separation.....	1,183,719	36,173	1,147,546	74,590
Highway improvements.....	170,545	68,150	102,395	20,260
Parks and recreation—Public parks .....	3,128,678	538,630	2,590,048	196,365
Miscellaneous :				
City and county building .....	2,483,992	1,501,853	982,139	130,646
Esplanade improvements.....	1,101,028	617,358	483,670	57,983
Don improvement.....	913,392	498,173	415,219	44,654
Ashbridge's Bay improvements.....	345,128	105,023	240,105	18,520
Island breakwater.....	99,995	70,043	29,952	4,750
Properties—miscellaneous.....	421,535	174,706	246,829	23,547
Markets.....	503,620	209,214	294,406	27,856
Miscellaneous.....	2,153,167	1,141,072	1,012,095	111,611
Bonuses to railways.....	1,154,227	719,479	434,748	57,495
Educational :				
Schools—public.....	10,350,969	1,789,567	8,561,402	609,379
“ —Technical.....	2,401,253	249,413	2,151,840	161,893
“ —high, ordinary.....	1,446,707	244,376	1,202,331	82,858
“ —High of Commerce.....	413,400	35,106	378,294	25,003
“ —industrial.....	54,206	31,865	22,341	2,614
“ —separate.....	47,697	37,249	10,448	2,266
Public libraries.....	248,649	91,706	156,943	14,390
Exhibition, Can. National—buildings ..	1,230,075	325,620	904,455	88,989
War purposes.....	4,055,523	136,838	3,918,685	385,372
TOTAL COMMON WELFARE.....	59,060,157	13,950,085	45,110,072	4,293,588
LOCAL IMPROVEMENTS, RATEPAYERS' SHARE	13,951,603	6,494,275	7,457,328	1,881,259
PUBLIC SERVICE ENTERPRISES AND SPECIAL SERVICES:				
Waterworks.....	15,944,772	3,162,851	12,781,921	902,407
Toronto Hydro-Electric system.....	8,569,194	792,371	7,776,823	513,120
Civic car lines.....	2,370,237	356,203	2,014,034	172,605
Civic abattoir.....	415,608	36,278	379,330	25,615
Street railway pavements.....	3,804,581	1,785,548	2,019,033	814,931
MATURED DEBENTURES—not yet presented.	6,048	6,048		
Additional sinking fund reserve .....		1,213,811	*1,213,811	
TOTAL .....	\$104,122,200	\$27,797,470	\$76,324,730	\$8,603,525

\*Deduct.

## STATEMENT OF SINKING FUND

As at 31st December, 1918.

The following statement shows in concise form the investments in which the City's sinking fund is held, as well as the cash in banks, and the different reserves on account of which the same is set apart.

### ASSETS

City of Toronto bonds.....	\$25,409,336.42
Government securities—Dominion of Canada.....	450,486.67
Loan to Toronto Harbour Commissioners.....	975,000.00
Accrued interest on investments.....	483,448.67
Cash in banks.....	755,085.63
	<hr/>
	<u>\$28,073,357.39</u>

### LIABILITIES OR RESERVES

Reserve for debt redemption, as follows :

Accumulated sinking fund at basic interest rate (including payment of levy due 1st Jan., 1919, and reserve for matured unclaimed loans).....	\$26,331,859.13
Payment by County of York re City and County municipal buildings, applied as against debt for same .....	84,000.00
Local improvement rates commuted on account of instalment debt..	4,187.11
Additional sinking fund reserve.....	1,213,811.02
	<hr/>
	27,633,857.26
Reserve for accrued liability to Toronto-Hamilton Highway Commission.	235,100.01
Minor unrequired balances of funded loans.....	122,448.10
Realization of capital assets fund.....	81,952.02
	<hr/>
	<u>\$28,073,357.39</u>



## WATERWORKS REVENUE AND EXPENSE

For the Year ended 31st December, 1918.

Debit.		Credit.	
Operation and Maintenance.....	\$1,002,833.53	Water Rates :	
Rating and Revenue Collection.....	69,293.18	Water takers.....	\$1,718,668.19
Debt Charges.....	829,339.04	City service.....	728,996.00
Balance :		Sundry Rentals.....	417.50
Surplus for year.....	546,615.94		
	<u>\$2,448,081.69</u>		<u>\$2,448,081.69</u>

## WATERWORKS CAPITAL ACCOUNTS, 1918

### Disbursements

Improvements under By-law No. 6343.....	\$250,299.06	
“ “ “ “ 6344.....	90,308.04	
“ “ “ “ 6460.....	100,884.62	
“ “ “ “ 6461.....	50.15	
Revenue Mains.....	10,175.81	
	<u></u>	\$451,717.68

### Receipts.

Sundry Receipts.....	34,881.10
Total Net Disbursements.....	<u>\$416,836.58</u>

## WATERWORKS FUNDED DEBT

As at 31st December, 1918

Gross Funded Debt.....	\$15,944,771.72
Deduct:	
Sinking Funds on hand, accumulated for redemption of debt.....	3,162,850.67
Net Funded Debt.....	<u>\$12,781,921.05</u>

## CIVIC CAR LINES REVENUE AND EXPENSE

For the Year ended 31st December, 1918.

Debit.		Credit.	
Operation and Maintenance	\$306,942.58	Passenger traffic revenue.....	\$330,260.04
Debt charges.....	151,394.77	Rental car advertising space..	1,464.00
		Balance :	
		Loss for year.....	126,613.31
	<hr/>		<hr/>
	\$458,337.35		\$458,337.35

## CIVIC CAR LINES FUNDED DEBT

As at 31st December, 1918

Gross Funded Debt .....	\$2,370,237.00
Deduct :	
Sinking Funds on hand, accumulated for redemption of debt.....	356,202.72
Net Funded Debt.. .....	<u>\$2,014,034.28</u>



## CIVIC ABATTOIR PROFIT AND LOSS

For the Year ended 31st December, 1918.

Debit.	Credit.
To cost of merchandise sold, and expenses of operation and maintenance..... \$166,929.35	By gross sales of merchandise and rentals..... \$155,358.63
Debt charges..... 25,614.67	Balance :
	Loss for year..... 37,185.39
<u>\$192,544.02</u>	<u>\$192,544.02</u>

The foregoing statement does not include proper depreciation, taxes, or full interest charges, etc.

## CIVIC ABATTOIR FUNDED DEBT

As at 31st December, 1918

Gross Funded Debt .....	\$415,608.00
Deduct :	
Sinking Funds on hand, accumulated for redemption of debt.....	36,278.40
Net Funded Debt .....	<u>\$379,329.60</u>

## CANADIAN NATIONAL EXHIBITION REVENUE AND EXPENSE

For the Year ended December 31st, 1918.

Debit.		Credit.	
Maintenance.....	\$31,478.21	Received from Ass'n.....	\$ 90,597.74
Debt Charges.....	88,988.71	Deficit for year.....	29,869.18
	<hr/>		<hr/>
	\$120,466.92		\$120,466.92
	<hr/> <hr/>		<hr/> <hr/>

NOTE.—The above maintenace charges do not cover upkeep of grounds, as they are utilized for most of the year for Park purposes. The debt charges apply only to debts incurred for buildings.

## EXHIBITION BUILDINGS FUNDED DEBT

As at 31st December, 1918.

Gross Funded Debt.....	\$1,230,075.00
Deduct :	
Sinking Funds on hand, accumulated for redemption of debt.....	325,619.89
	<hr/>
Net Funded Debt.....	\$904,455.11
	<hr/> <hr/>



CITY'S ACCOUNTS WITH BOARD OF EDUCATION

For Year ended 31st December, 1918

MAINTENANCE.		Dr.	Cr.
To Cash paid per warrants			\$3,222,702.75
“ Annual Debt Charges :			
On Public School debt.....	\$610,453.75		415,422.52
“ High School debt.....	83,007.52		348,222.00
“ Technical School debt.....	162,148.00		106,348.22
“ High School of Commerce debt.	25,048.22		12,522.00
	880,657.49		
	<u>\$4,105,217.49</u>		<u>\$4,105,217.49</u>

CAPITAL.		Dr.	Cr.
To Cash paid per warrants :			
By-law No. 6278.....	\$15,000.00		\$265,000.00
“ “ 7253.....	150,000.00		70,000.00
“ “ 7579.....	100,000.00		170,000.00
“ “ 7647.....	40,000.00		75,000.00
			30,000.00
			<u>75,000.00</u>
	305,000.00		
			685,000.00
To Balances at credit, 31st Dec., 1918 :			
By-law No. 6278.....	\$60,000.00		
“ “ 7253.....	20,000.00		
“ “ 6607 ..... 30,000			
Less transfer .... 30,000			
“ “ 7409..... 70,000			
Less transfer ..... 60,000			
By-law No. 7579..... 165,000			
Add transfers..... 43,000			
By-law No. 7647..... 35,000			
Add transfer ... 47,000			
			<u>380,000.00</u>
			<u>\$685,000.00</u>

### CITY'S ACCOUNT WITH SEPARATE SCHOOL BOARD

For the Year ended 31st December, 1918.

Dr.	Cr.
To Cash, paid per warrants.. \$217,931.25	By Separate School Rates..... \$209,083.67
“ Annual debt charges on Separate School debentures, issued by City ..... 2,270.39	“ Balance due to City (being for advance on account of 1919 rates)..... 11,117.97
<u>\$220,201.64</u>	<u>\$220,201.64</u>

### CITY'S ACCOUNT WITH PUBLIC LIBRARY BOARD

For the Year ended 31st December, 1918.

Dr.	Cr.
To Cash, paid per warrants.. \$149,500.00	By Public Library rates..... \$163,913.66
“ Annual debt charges on Public Library debt..... 14,413.66	
<u>\$163,913.66</u>	<u>\$163,913.66</u>



CITY OF TORONTO



# **Annual Financial Report**

OF THE

COMMISSIONER OF FINANCE

**1919**

TREASURY DEPARTMENT





## MEMBERS OF CITY COUNCIL—1919

### MAYOR

THOMAS L. CHURCH, Esq., K.C.

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### BOARD OF CONTROL

*His Worship the Mayor, Chairman.*

C. ALFRED MAGUIRE, *Vice-Chairman*

SAMUEL McBRIDE.

ROBERT H. CAMERON

W. D. ROBBINS.

---

### ALDERMEN

#### *Ward 1.*

W. W. HILTZ

RICHARD HONEYFORD.

FRANK M. JOHNSTON.

#### *Ward 5.*

CLIFFORD E. BLACKBURN.

ROBERT H. GRAHAM.

W. R. PLEWMAN.

#### *Ward 2.*

H. H. BALL.

J. R. BEAMISH.

JOHN WINNETT.

#### *Ward 6.*

GEORGE BIRDSALL.

DONALD C. MacGREGOR.

BROOK SYKES.

#### *Ward 3.*

FRANCIS W. JOHNSTON.

C. W. MOGRIDGE.

J. G. RAMSDEN.

#### *Ward 7.*

WILLIAM MAHER.

SAMUEL RYDING.

F. G. I. WHETTER.

#### *Ward 4.*

JOHN A. COWAN.

J. C. McMULKIN.

A. R. NESBITT.

#### *Ward 8.*

F. M. BAKER.

WM. M. MISKELLY.

WM. WILLIAMSON.





## MEMBERS OF CITY COUNCIL—1920

### MAYOR

THOMAS L. CHURCH. Esq., K.C.

---

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JOSEPH GIBBONS.

J. G. RAMSDEN.

---

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RICHARD HONEYFORD.

FRANK M. JOHNSTON.

#### *Ward 5.*

CLIFFORD E. BLACKBURN.

JAMES PHINNEMORE.

W. R. PLEWMAN.

#### *Ward 2.*

J. R. BEAMISH.

CHARLES A. RISK.

JOHN WINNETT.

#### *Ward 6.*

GEORGE BIRDSALL.

DONALD C. MACGREGOR.

BROOK SYKES.

#### *Ward 3.*

A. E. BURGESS.

CONSTANCE E. HAMILTON.

FRANCIS W. JOHNSTON.

#### *Ward 7.*

WILLIAM MAHER.

SAMUEL RYDING.

F. G. I. WHETTER.

#### *Ward 4.*

JOHN A. COWAN.

A. R. NESBITT.

JOSEPH SINGER.

#### *Ward 8.*

F. M. BAKER.

F. R. MAXWELL.

WM. M. MISKELLY.





# ANNUAL FINANCIAL REPORT

OF THE

COMMISSIONER OF FINANCE

OF THE

City of Toronto

1919

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TORONTO, 31st March, 1920.

*To His Worship the Mayor and Members of the Council  
of the City of Toronto*

DEAR SIR:—

The annual report on the financial affairs of the Corporation of the City of Toronto for the year ended 31st December, 1919, together with the audited statement of revenue and expense and balance sheet, as well as certain supplementary exhibits, is presented herewith.

The report embraces as nearly as is practicable the whole of the City's business apart from that of the Board of Education, Separate School Board, Public Library Board, Toronto Hydro-Electric Commissioners, Toronto Harbor Commissioners and Canadian National Exhibition Association, all of which maintain independent accounting. There is, however, included the fixed investment of the City in property, plant, etc., held by these bodies, the dealings between them and the Municipality, and such business relevant to them as is under the care of the City. The general business of the City naturally falls into the divisions of common welfare, special services, and public service enterprises, and it is desirable in considering any review of its financial affairs that these be kept clearly in mind. Moreover, since the underlying principle of municipal, as well as of governmental, finance is that funds be provided and specifically designated for all expenditures, it is important to note that there is a distinct demarcation between current and capital surplus or deficit. In view of the special report for the year 1919, already published, on the funded debt and sinking fund, in which the bearing of these upon the general financial condition of the City is set forth, no extended comment thereon has been thought necessary.

For the past year, the affairs of the City, with its population of about 500,000 and assessment of \$619,096,325, entailed a general revenue expenditure on all

**Summary** accounts of \$22,492,995. Towards meeting this, the tax rate was  
**Year's** placed at  $28\frac{1}{2}$  mills, which with other general revenue yielded  
**Business** \$23,367,473. There was brought forward from the preceding year  
 a current surplus, including reserve for deferred expenditure, of \$1,540,866, while  
 there was carried forward to the present year a current surplus, including reserve,  
 of \$2,415,345, of which \$1,756,217, was available for appropriation in 1920. The  
 net earnings of the sinking fund for the year, all accumulated for the redemption  
 of funded debt, amounted to \$1,383,082. During the year, funded debt to the  
 amount of \$5,578,400 was retired; \$3,282,000 of new funded debt was incurred;  
 capital expenditures to the amount of \$2,833,426 were made; and new capital  
 commitments were entered into, estimated at \$9,250,581.

The large surplus available for appropriation brought forward to 1920 will  
 operate in reduction of taxation this year to the extent of  $2\frac{3}{4}$  mills. This unusual  
 amount of surplus brought forward is very unlikely to recur, inasmuch  
**Current** as it arose from special circumstances: namely, (1) a saving on war  
**Surplus** expenditure, which, owing to its uncertain nature, necessitated a  
 comparatively liberal estimate; (2) a net credit, amounting to \$45,409, for interest  
 on temporary funds on hand, as opposed to a net provision for interest on temporary  
 borrowings estimated at \$100,000; and (3) an excess of revenue over that estimated  
 of \$1,123,401. The chief sources of the latter were: street railway franchise, which  
 netted \$243,309 more than was anticipated as the City's share of the Toronto  
 Railway Company's earnings, notwithstanding the strike in June; the Canadian  
 National Exhibition, which was opened by His Royal Highness, Prince Edward  
 of Wales, and the unusual attendance and success of which had the effect of increasing  
 the net returns to the City over those counted upon by \$140,007; administration  
 of justice, which chiefly through readjustments of matters outstanding between the  
 Provincial Government and the City led to the City's being re-imbursed to the  
 extent of \$132,190 more than was estimated; taxation percentages in excess of  
 discounts, which returned \$109,553 excess revenue; police court fines and fees,  
 which yielded an excess of \$104,372; and civic car lines, from which, owing to con-  
 stantly increasing traffic there was derived \$103,091 more than was anticipated.

During the preceding four years (1915-1918), war expenditures had been particu-  
 larly conspicuous in the City's financial affairs, averaging (without the Provincial  
 war tax of 1 mill on the assessment, equal to another half a million)  
**War** over 2 millions each year. In 1919, however, they were much  
**Expenditure** reduced, amounting to but \$1,438,145, which was without the Provin-  
 cial war tax (not imposed in that year), but included the debt charges on the earlier  
 war expenditures, which had been funded to the extent of \$4,500,000. On the  
 contrary, in 1918 there was a total charge on account of war of no less than  
 \$4,816,759, or the equivalent of 8.02 mills on the 1918 assessment, including the  
 Provincial tax, expenditures of 1917 provided for in 1918, and debt charges on  
 previous war expenditure funded.

Since in 1919, except for charges on war debt, this class of expenditure practically  
 terminated, a summary of the chief items embraced in the total, which amounts to  
 \$12,100,000, and represents an expenditure of \$121 per family, may be of  
 interest. It comprised about  $4\frac{1}{2}$  millions for life insurance on the lives of  
 volunteer citizen soldiers;  $2\frac{1}{4}$  millions for Provincial war tax; practically 2 millions  
 in grants for patriotic relief, soldiers' welfare, and military hospitals, etc.;  $1\frac{3}{4}$   
 millions for wages of enlisted civic employees; half a million for protection of City



property; 1 million for interest (including future interest on outstanding war debt); and other smaller amounts aggregating about \$300,000.

In sharp contrast with the diminution of war expenditure in 1919 was an increase in the general expenses of the City, which exceeded by more than 2 millions those of the preceding year. These expenses, in aggregate, were the heaviest ever experienced, as were most of the individual items thereof, such as those for schools and education, police protection and administration of justice, fire protection, health, sanitation and drainage, highways, parks, etc. In population and assessment, new high records were established last year, both reaching points beyond any attained in the past, while the amount of taxation and general revenue was substantially the same as in 1918. The sinking fund held at the close of the year, although fully adequate for all sinking fund debts, varied in amount but little from that at the end of the previous twelve months, but the average rate of interest earned on the investments was higher than ever before. In the funded debt of the City, there was an actual reduction in that year of over 2 millions, which was a most gratifying but seldom occurring condition. The gross revenue from waterworks, Toronto Railway Company franchise, and civic car lines, in each case surpassed former earnings, as might be surmised from the fact, already noted, that each produced revenue in excess of that estimated.

As a result of the 1919 tax rate being two mills less than that for the preceding year, the total amount of taxes chargeable was somewhat less than in 1918, being \$19,403,045 as compared with \$20,260,397; but the amount actually collected (including arrears), \$20,032,032, was the largest ever received, exceeding that in 1918, which most nearly approached it, by over \$100,000. It was in every respect a most satisfactory collection, and the general prosperity of the citizens was reflected in the promptness with which taxes were met, and in the relatively large amount paid, which resulted in the very considerable decrease of \$598,157 in those outstanding at the close of the year, as compared with those at the end of the preceding year.

A particularly unique and outstanding feature of the past year's business was the retirement before maturity of \$1,975,314 of funded debt, and the consequent reduction of debt charges. This was accomplished by the application of excess earnings of the sinking fund, together with such funds as had been already accumulated toward the redemption of the debts retired. As the annual debt charges on the debt thus redeemed before maturity were all met by general taxation, the ratepayer very substantially benefits by their elimination.

The total revenue expenditure for the year of \$22,492,995 comprised \$18,535,018 for common welfare (including \$1,438,145 for war purposes); \$2,049,698 for waterworks; \$1,186,498 for street railway franchise; \$589,311 for civic car lines; and \$132,470 for civic abattoir, the last two, although revenue-producing, not being fully self-sustaining. The principal items of common welfare, besides the war, among which the expenditure was distributed, were schools and libraries, \$5,098,937; police service and administration of justice, \$1,623,358; fire protection, \$1,670,968; health, including hospital care, \$1,289,433; sanitation and drainage, \$1,852,096; highways, \$1,291,931; debt charges on city's share of local improvements (highways and drainage), \$1,229,383; and parks and recreation, \$763,586. Against the total revenue expenditure for common welfare, there was \$1,394,406 ordinary revenue from sources other than taxation directly



applicable, leaving \$17,140,612 as the actual amount of expenditure ordinarily to be met by taxation. Excluding that for war, the amount was \$15,702,467, which was equivalent to 25.36 mills on the 1919 assessment; whereas in 1918 the cost of common welfare services, apart from war expenditure, was \$14,839,183; the ordinary revenue from miscellaneous sources, \$1,161,127; and the actual amount properly applicable against taxation, \$13,678,056, which was equivalent to a rate of 22.77 mills on the 1918 assessment. The increase over 1918 in the corresponding expenditure was \$2,024,411, or 14.79 per cent., while the increase in the assessment was only 3 per cent. This accounts for the increase in the equivalent tax rate of 2.59 mills or 11.37 per cent.

The most important increases in revenue expenditure during the year were \$348,064, or 27.29 per cent., in police service and administration of justice; \$251,769, or 17.74 per cent., in fire protection; \$293,604, or 18.83 per cent., in sanitation and drainage; \$174,370, or 16.53 per cent., in debt charges on City's share of local improvements; \$338,666, or 35.52 per cent., in highways; and \$559,543, or 12.90 per cent., in the expenditure for schools.

Of the total expenses, \$6,505,330, or 28.89 per cent. of the whole, was for debt charges on account of the funded indebtedness of the City. Of this, \$4,800,355 resulted from services, the debt charges on debts for which, as a rule, have to be met almost altogether by general taxation, and was equivalent to a rate of 7.75 mills on the 1919 assessment, as compared with a corresponding rate in 1918 of slightly over 7½ mills. Exclusive of those for war debt, these charges were equivalent to a rate of 6.84 mills, almost exactly the same as that in 1918 for the corresponding charges.

The actual revenue from taxation for the year (less provision for tax losses) amounted to \$17,529,589, being the yield from the total rate of 28½ mills on the general assessment of \$619,096,325 with that from the 7.90 mill school rate on an assessment of \$1,954,739 liable for this rate only.

**Year's Revenue** The bulk of the normal revenue for common welfare services, the only purpose for which taxation should ordinarily be levied, is furnished by this source. Surpluses or deficits arising from the special enterprises, or services of the City, or brought forward as a result of the preceding year's operations, will, of course, modify the amount otherwise required from taxation. Ordinary revenue, apart from taxation, directly applicable to meet the expenses of common welfare, as already noted, amounted to \$1,394,406 for 1919. The most important items of this were—license, permit, and inspection fees, \$162,034; rents of general properties and privileges, \$327,684; receipts in excess of direct operating expenses of the Canadian National Exhibition, \$175,007; percentage charges on overdue taxes in excess of discounts on taxes paid in advance, \$209,553; fines and fees in connection with administration of justice, \$205,404; and administration of justice reimbursements by Province and County, \$173,091. The revenue derived from waterworks was \$2,616,531 (including City supply \$747,373); from street railway franchise (Toronto Railway company and Toronto Suburban Railway company) \$1,251,760; from civic car lines, \$443,091; and from civic abattoir \$132,096. The following important increases in the revenue for the year other than taxation, as compared with 1918, may be noted: viz, Toronto Railway Company franchise revenue, \$105,996; waterworks revenue, \$168,449; and revenue from civic car lines, \$111,367.

The result of the operation of the waterworks for the year was a surplus of \$566,832, of which \$475,890 was used to reduce taxation, the difference being



**Year's  
Results of  
Special  
Services**

reserved specifically to meet deferred expenditures. The civic car lines, on the contrary, showed a deficit of \$146,220, the whole of which, with the addition of a reserve for deferred expenditure, making in all \$147,254, was met by taxation. The civic abattoir also had a deficit which, with the addition of reserve for deferred expenditure, amounted to \$4,998, and was met by taxation. The street railway franchise netted a surplus of \$65,262, of which \$56,781 was applied in reduction of taxation, the difference being specifically reserved. In passing, it may be noted that owing to the near expiry of the Toronto Railway Company franchise, reconstruction of track allowances is now charged off directly against the year's revenue in place of being spread over ten years as formerly, through issues of debentures therefor. In arriving at the foregoing results, depreciation was covered only to the extent provided in the debt charges, which, in the case of the abattoir, is insufficient.

Tables giving particulars of the revenue and revenue expenditure, and also revenue and expense statements of the special services, will be found at the close of the report.

Of the total \$5,578,400 of funded debt retired during the year, \$3,603,086 were matured debentures, for redeeming which provision had been fully made, thus doing away with the necessity of refunding any portion. \$1,289,480 of the matured were serial, and \$2,313,606 sinking fund debentures, and in the case of the former, \$1,288,394, or practically the whole, involved no diminution of the annual debt charges, inasmuch as they did not represent the final instalment of the series. Of the sinking fund debentures \$1,296,382 were for waterworks and ratepayers' share of local improvements, debt charges for which class of debentures are met by special revenue, apart from general taxation, and only on the remaining \$1,017,224 were the debt charges met by general taxation. Thus, while on the whole more than 3½ millions of debentures matured, only about one million was accompanied by a cessation of debt charges affecting general taxation, the annual charges so eliminated amounting to \$90,453. Not for a number of years hence will there be any important loans expiring which will materially reduce charges now raised by general taxation. In consequence of this, therefore, any new debts contracted which are not for purposes yielding revenue to fully meet their annual charges must of necessity increase the load, unless there is an adequate increase in assessment to counteract the same.

The balance redeemed, \$1,975,314 was specially retired before maturity, as already noted, and the annual debt charges on it, amounting to \$154,558, and all met by general taxation, will no longer have to be raised. In addition, those for 1925 will be further reduced by \$150,000; for 1926, by \$300,000; and for 1927, by \$300,000; these latter reductions being instalments levies for a war debt which will now terminate in 1925 instead of as originally planned in 1927.

On the whole, annual debt charges met by general taxation were reduced by \$245,011, or approximately a third of a mill on the 1919 assessment. Had it not been for the utilisation of the special funds in 1919 for the redemption of debt, there would have been practically no diminution in the annual debt charges met by general taxation or in the tax rate therefor.

Debentures were sold during 1919 amounting to \$3,282,000, of which \$1,537,000 were issued in connection with capital commitments of prior years, the remaining portion, \$1,745,000 being authorized in 1919 for commitments of the same year. On \$2,246,000 of these debentures, the annual debt charges of \$210,819 are practically all met by general taxation,

**New  
Funded  
Debt**



while on the balance, \$1,036,000, the annual debt charges of \$80,883 are provided by revenue from the services for which the debts were incurred. The particulars are as follows:

Purpose of Issue	Amount	Annual Debt Charges
CHARGES ON GENERAL TAXATION		
Bridges; sewers; parks; waterfront development; registry office; local improvements abandoned..	\$1,431,000	\$140,168
Schools.....	509,000	35,038
Libraries.....	102,000	8,553
Civic car lines.....	204,000	27,060
	<hr/> \$2,246,000	<hr/> \$210,819
REVENUE-PRODUCING		
Waterworks.....	\$386,000	\$26,534
Toronto Hydro-Electric system.....	650,000	54,349
	<hr/> 1,036,000	<hr/> \$80,883
	<hr/> <u>\$3,282,000</u>	<hr/> <u>\$291,702</u>

The only 1918 issue was that of \$650,000 for the extension and improvement of the Toronto Hydro-Electric system which had remained unnegotiated at the end of that year. It was sold in January of 1919 on an interest yield basis of 5.40 per cent., which was generally regarded as a favorable price. The others, new issues amounting to \$2,632,000, were sold by public offering in the autumn, immediately after the last Victory Loan campaign, on an interest yield basis of 5.90 per cent. Absorption of capital in the Victory Loan and greatly disturbed market conditions accounted for the increased cost of the latter flotation. These costs may seem unusually high, especially when compared with those of a few years ago, but they are merely an indication of the higher costs which governments and municipalities must be prepared to meet in borrowing capital. All the debentures sold were payable in either New York or Toronto, bore interest at the rate of 5½ per cent. per annum, and were issued on the serial or instalment plan, certain amounts of each issue maturing annually. During the period that New York funds continue at a premium, the cost of the money obtained in 1919 will be increased thereby, since funds for the payment of interest and redemption of principal will have to be provided in United States currency.

Debenture issues, which were authorized during the year, but remained unnegotiated at its close, were as follows:—

	Parks and playgrounds, By-law 8272.....	\$150,000
	Local improvements, City's share, By-law 8187—Part Loan.	123,434
	“ “ “ “ 8188— “	57,344
		<hr/> \$330,778
Unnego-	“ “ ratepayers' “ “ 8187— “	72,778
tiated	“ “ “ “ 8188— “	27,215
Debt		<hr/> \$99,993
		<hr/> <u>\$430,771</u>

On the first three items the annual debt charges, \$28,186, are all to be met by general taxation, and on the last two the annual debt charges, \$9,701, are provided by special local improvement assessments.

Of the total capital expenditures made in 1919, amounting to \$2,833,426 (exclusive of revenue capital outlays), the sum of \$117,334 was for main sewers; \$233,772 for highways—bridges, Bloor Street viaduct, etc.; \$915,439 for local improvements—City's share and ratepayer's share; \$215,138 for parks—including waterfront park and boulevard development;

Year's  
Capital  
Expenditures



\$354,982 for schools; \$29,005 for libraries; \$53,610 for waterfront reclamation improvements by Toronto Harbor Commissioners; \$650,020 for Hydro-Electric System: \$220,579 for waterworks: \$40,416 for civic car lines: and \$3,131 for other purposes. These figures include debenture discount charges as well as the actual cost of the work. For most of the expenditures, funds provided by debenture issues were in hand; but for those for local improvements, temporary funds had to be utilized, since it is only after the completion of these works that permanent financing can be carried out therefor.

New capital commitments which were definitely entered into during 1919 called for an expenditure, including debenture discount, as estimated, of \$9,250,581.

**Year's New Capital Com- mitments** The annual debt charges which these new commitments will involve amount, approximately, to \$955,413, of which \$379,377 will be

required to be met by general taxation, being equivalent to over one-half mill on the 1919 assessment. Inasmuch, however, as the expenditures were not all made immediately, but will extend over a period of time, and in the case of local improvements will be temporarily financed till completed, the debenture issues for these purposes have not all been made, and consequently the full effect of the new debt charges involved in them will not be experienced for another year or more. A summary of the new commitments, with their respective annual debt charges, the amounts covered by new loans under date of 1919, and the balances for which money is yet to be borrowed, is given in the following statement:

#### NEW CAPITAL COMMITMENTS, 1919

Purpose	Amount	Amount covered by 1919 loans (including unnegotiated)	Balance to be covered by 1920 or future loans	Annual debt charges involved
Sewers.....	\$516,000	\$394,000	\$122,000	\$35,544
Parks.....	300,000	300,000	.....	20,666
Schools.....	871,000	509,000	362,000	59,918
Libraries.....	102,000	102,000	.....	8,554
Civic car lines.....	204,000	204,000	.....	27,061
Toronto Hydro-Electric system	982,000	.....	982,000	82,150
Waterworks improvements....	924,691	386,000	538,691	63,623
Civic housing .....	1,061,346	.....	1,061,346	88,813
Local improvements .....	4,289,544	.....	4,289,544	569,084
	\$9,250,581	\$1,895,000	\$7,355,581	\$955,413

The foregoing are practically the first new capital expenditures to be undertaken since the time when the war necessitated an almost complete curtailment of capital construction, aside from absolutely essential work, and the completion of the extensive programme of capital outlays commenced before and in various stages of progress at the beginning of hostilities. While it may now be in the City's best interests to incur new capital obligations for certain works more or less essential or undeniably advantageous, yet, considering all the circumstances, it is to be earnestly desired that there may not again be experienced such an unjustifiably rapid capital expansion, particularly for non-self-supporting services, as that experienced a few years ago, which, with 4½ millions for war purposes, necessitated new loans in the six years, 1913-1918, for 66½ millions, of which no less than 38¾ millions were for non-self-supporting services. The most serious consequences would result from again launching out, as was then done, and this will be immediately



evident to any one who examines carefully the City's financial condition, including its debt, assessment and other resources. Demands are made at times for carrying out new undertakings, quite irrespective of the City's financial ability to cope with the obligation involved, and such should receive no support until thoroughly investigated, and proved to be both justifiable and within the municipality's means.

In the period of extraordinary capital expansion, to which reference has just been made, so abnormally great were the commitments for non-self-supporting services compared with the prevailing assessment that had there not been a considerable increase in the assessment, the 1919 tax rate for debt charges alone would have been 9 mills, which would have been unreasonably high. It becomes self-evident that the expenditures necessitating this great increase to the debt burden should not have been made at that time, especially in view of the fact that, even with the additional assessment, the tax rate for debt charges has increased from approximately 5 mills in 1914 to  $7\frac{3}{4}$  mills in 1919, and this will be further increased, in all probability, by capital commitments still to be financed.

In addition to the general debt charges of  $7\frac{3}{4}$  mills, the special rate for local improvement debts represented 3 mills on the whole 1919 assessment, so that on the average the taxpayer was called upon to pay  $10\frac{3}{4}$  mills for debt charges in 1919. Unless there is an unusual yearly increase in assessment, it will be a very considerable time before the rate for fixed charges for non-self-sustaining services is appreciably lowered, while any further capital outlays, wholly or partly unremunerative, will increase general taxation, and likewise, without a corresponding expansion of assessment, the burden of the individual ratepayer.

The important bearing of the City's capital obligations for non-self-supporting services upon both the individual citizen and the status of the City as a whole, cannot be too strongly emphasized, and when increased in an injudicious manner proves an irksome burden to the taxpayer, and inevitably tends to bring the financing of the City into disrepute, lowers its credit and makes more costly its subsequent borrowings.

It is therefore essential to have a definite policy in regard to capital undertakings, based upon the needs both of the present and the period as a whole; but, in doing this, there should be taken into consideration only the City's immediate ability to enter upon new capital obligations without in any way anticipating probable resources of the future. It is most unfair to the necessities of subsequent years to anticipate increased assessment, since such a course leaves, generally speaking, no margin for the additional expenditures that are almost certain to result. Unforeseen problems, calling for both current and capital expenditure, are certain to arise with each ensuing year, probably more than enough to claim all resources arising out of such increased assessment.

Owing to the pursuance generally of an economic policy, judicious and necessary retrenchment in the matter of capital outlays, expansion of assessment and general growth of the City, its unfavorable financial position in 1916 resulting from the capital expansion of the years immediately preceding, has been very largely overcome, a marked improvement having taken place in it during the past few years, and to-day it is unquestionably sound. The City's credit ranks high, and thus far such capital as was legitimately required has been obtained, adequate provision has been made for retiring all funded obliga-



tions as they become due; moneys receivable do not, to any extent, remain overdue an unreasonable length of time; sufficient revenue is derivable to meet running expenses; and funds are available for discharging all current indebtedness.

Practically the only moneys due the City, but outstanding at the close of the year, were unpaid taxes of \$3,845,928, an amount which, having regard to the fact that it includes not only arrears of 1919 but those of previous years as well, was relatively small. Of this amount, \$2,563,102 was applicable to taxes for 1919, the total of which amounted to over 19 millions; \$1,012,143 to those for 1918, the total of which amounted to over 20 millions; and only \$270,683 to those of years previous to 1918. Ample provision has been made for any probable losses in their collection. Considering the large amount collectable annually, the great number of individual assessments—last year 188,000,—the widely differing circumstances of the taxpayers, and further, that the leeway granted by law is such that practically three years must expire before payment through tax sales of land can be enforced, it is evident that the tax collection is in a healthy condition.

From the foregoing, it is apparent that a large portion of the year's revenue, though due, is not received within the fiscal year, yet, under the present system, it is all appropriated and treated as available to meet expenditures in the same, necessitating, at certain periods, heavy temporary borrowings. This has been the case even in these prosperous times, and a less favorable condition among the citizens would undoubtedly involve increased tax arrears, with the consequent necessity of raising still greater temporary loans. Furthermore, practically no revenue is received during the first five months of the year, owing to the first instalment of taxes not being levied until June, notwithstanding the fact that the year's expenditures, commencing in January, continue throughout the period, and must, of necessity, be provided by temporary borrowings, placing, in the early months of the year, an additional strain upon the City's credit. These conditions emphasize the necessity of providing a liquid surplus or reserve fund, in order that the city may have working capital to carry the revenue expenditure while revenue is unavailable; and further, of placing the date for the collection of taxes as early in the year as possible, in order that the borrowing period may be shortened and the amount borrowed minimized. It is again recommended that such a fund be instituted, as may be done by providing in the estimates of 1921, and several subsequent years, an amount equal to say one-half of a mill on the current assessment, and that any necessary legislation be secured to give effect to this suggestion.

The current surplus of \$2,415,345 at 31st December last resulted simply from the year's operations, and was all either required for deferred expenditures, or made available for appropriation in 1920. It is not to be confused with the liquid surplus which is advocated to be accumulated as working capital. Another year there may be no current surplus to carry forward for appropriation, though business prudence dictates that the utmost precaution should be taken to avoid closing any year with a deficit.

The current assets, as at 31st December, 1919, aggregated \$12,010,866. In addition to taxes receivable, already referred to, of \$3,845,928, they embraced cash, \$5,241,286; accounts receivable, \$894,109; advances to the Toronto Housing Commission, \$633,675; stores, \$305,400; properties for re-sale, \$691,064; revenue accrued, \$259,774; and deferred charges, \$139,630.



The advances to the Toronto Housing Commission were made in anticipation of the obtaining of legislation which had been previously promised, validating the advances and granting power to the City to issue debentures to cover the same. The body was formed in 1919, in pursuance of By-law 8122, as a public commission to build, with a view to ameliorating congested housing conditions, small, moderately priced houses to be sold upon payment of an initial deposit and monthly instalments, practically equivalent to rent, spread over a period of twenty years. The amount loaned stands as a current asset pending the securing of the legislation referred to, after which debentures will be issued and sold to cover the advances made. Provision will be made for meeting these debentures through the returns from the properties.

Attention is particularly called to the item of properties for re-sale, \$691,064. These have been acquired in various ways, but their cost has been met not by funds permanently provided, but by those which are themselves required for other purposes, so that their re-sale is necessary to obtain the use of the funds which they represent. Pending this, the asset is practically a dead weight on the City's finances, little or no revenue being derived therefrom, while, reckoning interest at 6 per cent., an annual loss of \$42,000 is experienced in addition to the taxes, which would be received by the City if they were sold. It is strongly urged that every effort should be made to effect sales at the earliest favorable opportunity.

The current liabilities and surplus totalled \$9,820,071, made up as follows: interest on funded debt, mainly due 1st of January, 1920, \$2,083,977; accounts payable, \$1,554,455; temporary loans, \$1,600,113; trust funds, \$1,103,-  
**Current** 668; unearned revenue, \$222,309; interest on ratepayers' share of  
**Liabilities** local improvement debt collectible from ratepayers in advance, \$337,880; reserve for loss on taxes, \$379,824; reserve for exchange, \$122,500; surplus reserved for deferred expenditures, \$659,127; and surplus for appropriation, \$1,756,218.

In addition to these liabilities there were required to be furnished from current assets, the balance of money raised by debentures but not expended, \$3,983,883; funds raised and held for redemption of instalment debenture debt, \$195,675; and funds offsetting sundry capital reserves, \$98,487; or in all, \$4,278,045. Combining this last amount with the current liabilities, the total current obligations were \$14,098,116 on the 31st of December last against \$12,010,866 of available assets.

The excess of the indebtedness referred to, \$2,087,250, represents capital advances made but not yet permanently financed, of which \$1,672,746 was for local improvement construction and \$414,504 for other capital expenditures made  
**Unfinanced** in excess of funds provided. Some of these were for the cost of  
**Works** construction of grade separation, the final adjustment of which with the contributing railways has yet to be made. Besides the foregoing expenditures not permanently financed, there were further definite capital commitments, including those for local improvements, of \$6,023,139, for which no funds had been raised, thus making the total still to be provided \$8,110,389. This amount may vary slightly, inasmuch as the exact cost of local improvements can only be determined upon the completion of the individual works. The sum mentioned is, of course, exclusive of undertakings, of which there are a number hereafter referred to, to which the city is committed in a general way, but which are not yet fully authorized.



Apart from the main work which is being carried out by the Harbor Commissioners, they are undertaking, under agreement made in November, 1914, on behalf of the City, the filling in or otherwise improving of certain lands on the water front. While the Commissioners raise the capital to pay outright for such work, they are re-imbursed by annual payments from the City spread over forty years. Already they have expended in this connection \$1,109,566, and the balance yet to be expended as at the close of 1919 was approximately \$2,161,005.

Altogether the programme of capital expenditures more or less definitely determined, and sooner or later to be carried out, including acquisition, rehabilitation and extension of the street railway system of the Toronto Railway Company, the waterfront viaduct, improvements by or in connection with the Harbor Commissioners, other than the \$3,270,571 already referred to, would involve between 30 and 35 millions, of which about 24 to 29 millions have yet to be permanently financed.

Closely allied to capital commitments is the limit of the City's borrowing powers. Debenture indebtedness is limited by Statute (52 Vic. Chap. 74 and amendments) to an amount not to exceed  $12\frac{1}{2}$  per cent. of the first hundred millions of assessed valuation of rateable property, and 8 per cent. of the amount in excess thereof. By various statutes, however, certain exempted debts are not to be counted as part of the debenture debt in determining the limit. These are debts for local improvements, waterworks, Toronto Hydro-Electric system, Toronto Railway pavements, civic car lines and war purposes. After eliminating these, the margin of the City's permissible general indebtedness is only \$8,705,394.

The City's capital assets at the end of the year amounted to \$147,531,041 (apart from reserve for depreciation), and included sinking fund assets of \$27,863,995, Consumers' Gas Company stock \$31,587, war expenditures, rights, and benefits \$4,929,595, and permanent properties, improvements, etc., \$114,705,864, the value in the balance sheet of the latter (apart from reserve for depreciation) being made up as follows:

Bridges, subways, viaducts, sewers, City's share of local improvements, etc.....	23,916,023
Waterworks system.....	15,911,820
Parks property.....	14,891,783
Investment in schools.....	14,484,657
Ratepayers' share of local improvements.....	12,663,809
Investment in Toronto Hydro-Electric system.....	9,154,654
Public buildings, markets and industrial farms.....	6,486,182
Street railway pavements.....	3,442,064
City-owned property leased.....	2,950,334
Civic car lines.....	2,099,036
Fire halls and police stations.....	1,676,692
Local improvements not yet assessed.....	1,639,041
Sundry general plant and equipment.....	1,157,473
Waterfront reclamation improvements (by Toronto Harbor Commissioners).....	1,029,687
Vacant land.....	979,819
Store yards, stables and incinerator.....	890,469
Public libraries.....	866,613
Civic abattoir (exclusive of land).....	415,608
Public lavatories.....	49,100
Miscellaneous.....	1,000

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**\$114,705,864**



Certain of the fixed assets are revenue-producing, the services which they represent being wholly or partly self-sustaining. The income from the City's excellent waterworks system not only rendered that utility self-supporting in 1919 but produced a surplus, of which \$475,890 was applied to the reduction of general taxation. For all the charges involved in the investment in the comparatively new and expanding Toronto Hydro-Electric system, the City was completely reimbursed from the earnings of the enterprise. The franchise revenue from the Toronto Railway more than met the expenses and charges on account of the pavement of the right-of-way, a surplus of \$56,781 also being applied in reduction of taxation. A loss has been continuously sustained in the operation of the modernly constructed and equipped civic car lines, recently established, and has had to be borne by the general taxpayer, that for 1919 amounting to \$147,254. The excess of receipts over direct operating expenses derived from the annual Canadian National Exhibition, the conduct of which is undertaken by an association on behalf of the City, and the grounds and buildings of which the municipality owns, is paid over to the City. Last year this excess amounted to \$175,007, which was more than sufficient to pay charges incurred for the Exhibition Building debt. The expense involved in the ownership and maintenance of the grounds is borne by general taxation, which may be regarded as warranted in view of the substantial general benefit which the citizens derive from holding annually the great National Exhibition, and in view of the park being available to the public for practically the whole year. As a business proposition, the Municipal abattoir continues to be operated at a loss, which of course, falls upon the citizens generally, and for 1919 amounted to \$4,998. From the leasing of City-owned real estate, including Island, Market, and Front Street properties, Esplanade water lots, and certain residential properties, a gross revenue of \$188,879 was derived, which, although substantial in amount, is a relatively small return on the value of the asset. Dividends are regularly received on Consumers' Gas Company stock.

The great bulk of the fixed assets, however, is composed of properties, improvements and services, acquired or undertaken for the common welfare, which are in themselves almost wholly unremunerative, although in a number of instances they have unquestionably increased realty values and encouraged greater business activity. Their capital cost is, of course, a general charge upon the City's revenue, except the construction cost of the owner's portion of local improvements, which is covered by special assessments against properties immediately benefitted. Among the most important of these assets are, the City Hall, the 28 well-distributed fire halls, the central high pressure water supply system for fire protection, police stations, industrial farms, the commodious new registry office, the Don garbage incinerator, the city-wide sewer system, with its great trunk, main, storm, and ordinary sewers, the large Morley Avenue sewage disposal plant, the City's investment in the 98 public and 8 high schools, the well equipped Technical school and High School of Commerce, the public libraries, the free markets, the permanent roadway pavements and concrete sidewalks now laid on most of the City's streets, and improvements by way of street extensions, openings, and widenings, the numerous bridges, viaducts, and subways, including the magnificent and recently completed Prince Edward Viaduct, which bridges the Rosedale and Don river ravines, directly uniting the two important thoroughfares of Bloor Street and Danforth Avenue, the widely distributed parks, large and small, including those of the Island, and embracing in all 1,472 acres,



the public waterfront with its attractive Island beaches, and the improvements in connection with the extensive waterfront park and boulevard development being carried out by the Harbor Commissioners.

The permanent assets of a municipality, such as the foregoing, which are not self-supporting, do not directly strengthen its general financial position, and while, of course, they are essential, they impose added burdens in the form of debt, maintenance and operation charges, which can only be met through the taxable assessment, and the more this is encumbered the higher will be the tax rate.

Depreciation of the fixed assets is regularly provided for by revenue, to the amount of the funds furnished thereby for redemption of the respective debts incurred for such assets, charges against revenue covering the depreciation being contained in the debt charges. Corresponding reserves are set up and carried until the indebtedness is discharged, and these, while indicating the amount of funds on hand for debt redemption, also represent asset values written off. As debts are retired, the corresponding amounts in reserves are transferred directly to the credit of the respective asset accounts. By following this practice an annual reduction for depreciation is effected in the account value of the fixed assets subject thereto, equivalent to the annual provision made for the redemption of the relative debts, so that when the debts, with funds of which the assets were built up, are redeemed, their cost will have been fully charged off to revenue, both debt and asset eventually disappearing from the accounts.

Adequate annual depreciation is assumed to be provided through the amounts thus written off, on the theory that the respective debts are not for longer periods than the lifetime of the assets, and that their redemption is being fully and uniformly provided within that time. Unfortunately in some instances in the past this has not been the case, but in aggregate, depreciation has probably been reasonably covered, and in recent years care has been taken to limit the term of debentures issued to the lifetime of the relative undertaking. A more exact treatment of depreciation in the accounts would involve extensive research and a most elaborate and specific classification of data, besides giving rise to numerous intricate and difficult questions associated therewith, on many of which expert opinion differs. Moreover, the practical advantage to be gained thereby is an open question, especially now, when through the annual charges for relative debt redemption the cost of an asset is spread over a reasonable term of years within its benefiting lifetime. Thus each generation of citizens, through the annual debt charge, both for interest and redemption, substantially contributes its quota of cost for the service it receives and bears its own burden for the benefit it enjoys.

Through the expenditure of current revenue funds the City has acquired from time to time more or less valuable assets, which, however, except in the case of realty and a few other instances, are not included in the account value of fixed assets.

The gross capital indebtedness of the City on the 31st December last was \$102,946,600, the major portion of this \$101,832,913 being the City's gross funded debt, part of which is repayable by annual instalments and part at the end of specific terms of years out of accumulated sinking funds; of the balance, \$1,029,687 represents the City's obligation



to the Toronto Harbor Commissioners, which is repayable by the City to the Commissioners, under agreement, in 40 annual instalments, and \$84,000, the amount contributed by the County of York for certain interests in the Court House section of the City Hall.

Against the large funded debt, however, there were reserved for its repayment sinking and other funds amounting to \$27,849,767, provided out of revenue, which reduced this liability to \$73,983,146. In addition to the **Offsetting Sinking Fund, etc.** redemption funds, just referred to, the sinking fund included two other items, viz., amounts raised by debenture loans, but ultimately found not to be required to meet the cost of the respective works, and proceeds of sales of certain City assets, amounting together to \$209,903, which is also available for the liquidation of the funded debt. The total sinking fund assets of \$27,863,995 are comprised of City of Toronto bonds, \$23,234,967; Dominion Government securities, \$4,100,487; accrued interest on investments, \$501,855; and cash \$26,686. The interest earnings for the past year of the sinking fund amounted to \$1,383,082, being at the average rate of approximately 5.12 per cent. Many of the investments were made years ago, when prevailing rates of interest were much lower than at present. At the close of 1919, after providing for all reserves on the conservative basic rate of 3 per cent., and after having applied part of the surplus earnings which had accumulated sufficient to retire \$1,975,314 of the funded debt prior to its maturity, there remained a surplus of \$129,002.

Of the total capital indebtedness, \$28,823,467 was in respect of revenue-producing services, wholly self-sustaining; \$12,563,816 was for owners' portion of cost of local improvements, which is being met by special assessment; **Revenue and Non-Revenue Producing Debts** \$4,209,920 was for services yielding revenue, but not sufficient to be wholly self-sustaining; and \$57,265,397 was for general City purposes, not revenue-producing. Practically the whole of the debt charges of the last two, as a rule, fall against general taxation. In considering the extent of the City's capital liability, there should not be overlooked the value of the numerous and important assets mainly provided thereby, and the direct revenue-producing powers of certain of them. It may also be pointed out that, relatively as well as actually, the community needs of a large and growing urban municipality, with its compact, even congested population, are much more extensive, numerous and insistent than are those of smaller and rural centres, which are less thickly settled, and where community advantages are not so essential.

There was an increase in the capital surplus, as a result of the past year's operations, of \$234,070, the total at the close of 1919 amounting to \$18,826,982. This surplus is purely proprietary, being invested for continuing use, and is in no way available for appropriation. **Capital Surplus**

In addition to the actual indebtedness already noted, the Municipality had a contingent liability of \$11,075,000, being the amount of bonds guaranteed by it of certain bodies conducting enterprises which are deemed to be more or less in the public interest, viz., \$500,000 issued by the **Contingent Liabilities** Toronto Housing Company, Limited; \$75,000 by Industrial Schools Association; and \$10,500,000 by the Toronto Harbor Commissioners. The latter is a public commission, which is vested with the administration and improving of the Harbor of Toronto, the City's general waterfront (including the adjacent water area) and contiguous properties.



The City will be expected from time to time to guarantee 14½ millions additional bonds of the Harbor Commissioners (making in all 25 millions) as the development of the project proceeds. Furthermore, the City is obligated to deposit with the Hydro-Electric Power Commission of Ontario bonds for \$9,013,102 in connection with its share of the proposed hydro-electric radial railway system, and in addition to donate valuable right-of-ways.

The taxable assessment, although not specifically appearing in the City's financial statement, is a most vital factor in determining the true condition of the Corporation.

**Taxable Assessment Financial Bulwark** It affects the City's credit and the limit of its borrowing powers. Moreover, there is derived from it, through taxation, practically the whole of the revenue required for maintaining services directly for the common welfare—the City's chief business. The general tax rate merely shows the combined result of the relationship existing between the taxable assessment, the demands made upon it, and the extraneous revenue relieving it, but does not fully reveal whether the relationships existing between individual items and the assessment are normal or otherwise. In a general way the taxable assessment stands as a financial backing for all the business of the municipality. This fact tends too often, through the incorrect assumption that unlimited means are procurable thereby, to insufficient caution in administration and incurrence of liability. The relations borne to the taxable assessment by (1) the ordinary expenditure for purposes of common welfare; (2) losses on account of special services or enterprises; (3) extraneous revenue applied to meet such purposes and losses, and (4) the limit imposed by Statute on borrowings, all need to be most carefully considered.

The City's taxable assessment in 1919 (exclusive of \$1,954,739 assessment for school purposes only) was \$619,096,325, while the ordinary expenditure during the same period for services of common welfare, viz., general civic administration, education, police and administration of justice, conservation of health, sanitation, sewerage, highways, fire protection, parks, etc. (but not including \$1,438,145 for war purposes), amounted to \$17,096,873. This really constituted the regular expenditure as against revenue from taxation and miscellaneous sources. The latter amounted to \$1,394,405, which, deducted from the expenditure of \$17,096,873 above stated, left \$15,702,468 to be met by taxation, which was equivalent to a rate of 25.36 mills on the assessment, and allowing for taxation losses .27 mills, called for a rate of 25.63 mills. Assuming present conditions to be normal, this rate is to be regarded as practically constant for these purposes if the annual increase in assessment is assumed to be sufficient to cover the increased cost of the City's administration resulting from its growth. If in itself it be not a reasonable rate, then, although the City's financial condition is absolutely sound, the cost of administration is too high, and the taxpayer is being unduly burdened. This condition could only be remedied by pursuing a more economical policy. Notwithstanding the utilization of extraneous revenue, for example, that from Toronto Railway franchise and waterworks system, to reduce the tax rate, the rate so reduced should itself, apart from such reduction, be a reasonable one. The important principle is that expenses which should ordinarily be met by taxation *should not be greater than could be met by the imposition of a reasonable tax rate.*

The services for common welfare should themselves form a business unit, the revenue for which is found by taxation and ordinary revenue, such as fines, licenses



rentals, sundry fees, etc., but not by extraneous revenue, such as that derived from the waterworks system and the Toronto Railway franchise. In this way, underlying facts would be clearly shown, and the real tax rate would be comparable from year to year in aggregate and in detail.

With a view to ascertaining the effect of increases in common welfare expenses during the past year, and also during the ten years preceding, upon the tax rate, a **Comparable Tax Rates** comparison has been instituted, which is given in the following table:  
1908, 1918  
and 1919

COMPARISON OF TAX RATES FOR COMMON WELFARE SERVICES

Service	Tax rate in mills.†			Increase+ Decrease— since 1908	Increase last year
	1908	1918	1919		
Police service maintenance.....	2.09	1.57	1.91	— .18	.34
Fire protection “ .....	1.64	2.26	2.59	+ .95	.33
Health “ .....	.82	1.85	1.91	+1.09	.06
Sanitation and drainage “ .....	2.36	1.88	2.29	— .07	.41
Highways “ .....	1.58	1.05	1.52	— .06	.47
Parks and recreation “ .....	.75	.70	.91	+ .16	.21
Schools “ .....	5.24	5.73	6.46	+1.22	.73
Schools—debt charges.....	.78	1.46	1.42	+ .64	* .04
Debt charges—all services.....	5.20	6.49	6.52	+1.32	.03
Aggregate for all services and tax losses.....	21.30	23.50	25.63	+4.33	2.13

\* Decrease.

† The foregoing gives the cost in dollars per \$1,000 of assessment; e.g., police service in 1908, \$2.09 per \$1,000 of assessment, in 1918, \$1.57, and in 1919, \$1.91.

Since 1908, the aggregate rate for common welfare services has increased from 21.30 to 25.63, or by 4.33 mills, while the rate increased from 23.50 to 25.63, or 2.13 mills, last year. The most pronounced advances in individual services in the 11 years, it will be observed, have taken place in debt charges, schools maintenance and conservation of health. It might be explained that, while in determining the aggregate rate for all services for common welfare the whole of the miscellaneous revenue was first deducted from the total expenses, in fixing the rates for individual services no part of such revenue was deducted from the relative expenses, inasmuch as it was impracticable to properly apportion the same among the various services.

Comparing assessment with population, as a measure of gauging the trend of expense per capita, it will be found that the increases are much more marked than in the previous reference. In 1908, the assessment per capita was \$718, **Common Welfare Cost per Capita** in 1918 it was \$1,227, an advance of 70.85 per cent., and in 1919, \$1,240, an advance over 1908 of 72.68 per cent. This means that each mill on the assessment in 1918 represented 70.85 per cent, and in 1919, 72.68 per cent more expenditure per capita than each mill did in 1908. In other words, if the assessment per capita in 1918 and 1919 had been the same as it was in 1908, the expense for common welfare services in 1918 would have called for a rate of no less than 40.15, mills while that last year would



have required the still higher rate of 44.26 mills, or 22.96 mills in excess of that which obtained in 1908. The comparison which follows of the per capita cost for the important common welfare services of 1918 and 1919 brings out the great increase in the burden of each individual for these services which has taken place since 1908 and the changes last year.

COMPARISON OF COST PER CAPITA OF COMMON WELFARE SERVICES

Service.	Cost per capita.			Increase since 1908	Increase last year
	1908	1918	1919		
Police service maintenance.....	\$1.50	\$1.93	\$2.37	\$ .87	\$ .44
Fire protection " .....	1.18	2.77	3.21	2.03	.44
Health " .....	.59	2.27	2.37	1.78	.10
Sanitation and drainage" .....	1.69	2.30	2.84	1.15	.54
Highways " .....	1.13	1.29	1.89	.76	.60
Parks and recreation " .....	.54	.86	1.13	.59	.27
Schools " .....	3.76	7.05	8.04	4.28	.99
Schools—debt charges.....	.56	1.80	1.77	1.21	* .03
Debt charges—all services.....	3.73	7.96	8.08	4.35	.12
Aggregate for all services.....	15.14	28.49	31.45	16.31	2.96

\* Decrease.

The aggregate increase per capita since 1908 was \$16.31, the cost having advanced from \$15.14 to \$31.45, or more than 100 per cent., while the increase in aggregate per capita last year was \$2.96, the cost in 1918 having been \$28.49.

Assessment of City's Business Enterprises

therefore do not pay taxes, notwithstanding that they receive the full benefit of general municipal service, undoubtedly accounts for some of the increase in the general expenses of the City and of the tax rate. As it is impossible to determine under the present system, the true cost of the services which these enterprises render, it is submitted that they should be assessed and contribute their proper share of taxes, as well as pay their way otherwise.

Desirability of Constant Reasonable Tax Rate

The cost of maintaining the various services of the City will unquestionably expand with its growth, but the increasing value of property, especially of that not yet fully developed, and of the business wealth of the City, should under normal conditions produce a correspondingly larger assessment, so as to enable the larger outlays to be met without any important variation in the tax. A practically uniform, reasonable rate would not only be greatly appreciated by the citizens, but would tend to attract and give confidence to industries seeking suitable locations.

Tax Rate for War Expenditure

The expenditure last year for war purposes, including debt charges on war expenditures funded, totalled \$1,438,145, and equalled 2.32 mills on the assessment. It has been deemed best to refer to this expenditure separately, owing to its special character, otherwise a wrong impression is apt to be gained of last year's tax rate compared with that of other years.



The deficits on account of special services, viz., abattoir and civic car lines, to be met by taxation in 1919, amounted to \$152,253, which was equivalent to a **Tax Rate for** rate of .24 mills on the assessment. So long as these enterprises **Deficits on** are conducted at a loss an addition must be made to the tax rate **Municipal** to cover the same. **Enterprises**

The tax rate for 1919 required for the City's ordinary expenses was 25.36 mills (including schools, 77.88 mills), and with that for losses on special services, .24 mills, **Year's** and that for war purposes, 2.32 mills, totalled 27.92 mills, so that **Total** with the taxation losses (about .30 mills) a rate of 28.22 mills was **Tax Rate** called for, but owing to the application of extraneous revenue (.86 mills) was reduced to 27.36 mills. These figures are of course those of ultimate results confined strictly to operations of the year. The actual rate levied on the basis of the Estimates of the year's business as adopted by Council, after allowing for the surplus brought forward from 1918, was 28½ mills.

Actual tax rates for the past seven years have been as follows:—in 1914, 19¼; 1915, 23; 1916, 22½; 1917, 25½; 1918, 30½; and 1919, 28½ mills. As already **Increase in** noted, the ordinary administrative costs have increased, requirements **Actual** for debt charges have become much heavier, and an entirely new form **Tax Rates** of expenditure, that for the war, has recently augmented these.

Only a brief reference will be made to the unremunerative or non-self-sustaining capital indebtedness of the City in relation to the assessment. This indebtedness **Unremunera-** is practically a mortgage upon the entire assessable property of the **tive Indebt-** City. At the close of 1919 it amounted to \$61,475,317, against which **edness and** there were in hand sinking funds of \$14,837,069, leaving the net in- **Assessment** debtedness at \$46,638,248, or 7.53 per cent. of the assessment. Annual debt charges payable in connection therewith amount to \$4,667,228 or 7.54 mills on the assessment.

Future conditions continue uncertain, and fluctuations in finance will probably be greater than those experienced during the year just closed, while it seems inevitable that the apparent prosperity now experienced will gradually draw **Conclusion** to a close. There does appear some evidence that the material prices of the day, which have been so pronouncedly high, have about reached their limit, and that a gradual readjustment of both prices and wages may be considered as likely. It is only reasonable, moreover, to expect that anticipated increases in assessment and population would so take care of the expansion in the general services of the City that neither the comparable tax rate nor the per capita cost should materially increase.

As a result of the resumption of capital development postponed until after the war, of the further needs accompanying the growth of the City, and of the intended acquisition of the street railway upon the imminent termination of the Toronto Railway Company's franchise, the City is faced with a heavy capital programme calling for a very large volume of permanent financing in the near future.

It must be a source of satisfaction to the citizens to realize that the financial condition of the City to-day is thoroughly sound, its credit unimpeachable, and its position favorable for the financing of all legitimate needs; but if these are to be



maintained in the future, as the interest of the citizens and their City's prestige require, it is essential that in the expending of civic funds the utmost effort should be made by Council and other boards to effect every wise economy, that there should be provided a reasonable reserve to carry revenue in arrears and to anticipate contingencies, and that new debt should only be incurred for capital undertakings which are imperative, and undeniably advantageous, for years definitely enriching the City. There should also be kept in view the strict limitation of the term of new loans to a period within the lifetime of the respective improvement, in no case to exceed thirty years, thus apportioning its cost among those who benefit by it and therefore should bear it; the issuance of instalment or serial loans only, and not sinking fund loans, debt charges on the former being much less than on the latter, and the necessity for the accumulation and administration of sinking funds being entirely obviated; the maintenance, for the large volume of existing sinking fund debt of records which have been established showing the proper amortization reserves, year by year, and enabling the determination with absolute accuracy of the state of the fund as a whole at any given date; the avoidance, as far as possible, of temporary borrowings, particularly on capital account, funds for the latter being provided in advance by permanent financing; the continuance of the plan of earlier collection of taxes; the aiming to keep before Council the full significance of all capital commitments, and especially the additional burdens they impose upon the taxpayer and their effect upon the City's credit; the proper recording and reporting of all business transactions according to the "asset and liability, revenue and expense, and funds" system of accountancy, as a result of which the books of the Corporation now show clearly, assets, liabilities and operating results, besides balances of funds and appropriations, to accomplish which an almost complete reorganization of the system of accounting has been effected within the past four years.

It has been the aim to safeguard and further the best interests of the citizens by careful administration in the many matters coming within the purview of the department, including the collection of revenue and special assessments, now aggregating \$30,000,000; the financing temporarily of the City's needs in anticipation of revenue and the flotation of funded loans; the investment of sinking funds; the provision of funds to meet maturing liabilities here, in London and in New York; the planning in anticipation of future financial capital requirements consequent upon new enterprises, such as the taking over of the Toronto Street railway and expansion of the City's present services; the proper recording, accounting and reporting of business transactions; the control of appropriations; the preparation of estimates; the furnishing of special reports; the custody of securities; and the effecting of insurance.

It is desired to record sincere appreciation of the efficient services of the members of the staff, who have faithfully co-operated in carrying on the work of the department, and without whose valuable and hearty aid the improvements effected in recent years would not have been possible.

Yours truly,

T. BRADSHAW,

*Commissioner of Finance.*





# Financial and Supplementary Statements

## WITH EXPLANATORY NOTES

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## FINANCIAL STATEMENTS WITH EXPLANATORY NOTES

The present is the fourth consecutive Annual Report containing a complete balance sheet of the financial condition of the City, and the third containing a summary statement of revenue and expense, showing operating results.

Formerly, the method of accounting in use by the City confined itself almost exclusively to revenues, appropriations, vouchers, cash and debt. In 1917, however, there was inaugurated a more modern system, under which there are maintained proper accounts for the purpose of showing, currently and correctly, assets, liabilities, revenues and expenses, in addition to and distinct from appropriations or authorizations, and of furnishing such other information as is necessary for systematic and successful administration. Since then practically all of the City's accounts have been adjusted to conform to this plan, and it is hoped that from time to time still greater improvements and developments will be made, particularly along lines designed to afford the greatest assistance in furnishing the data required to form an intelligent opinion of the economy and efficiency of the different services and enterprises of the City, and, in carrying out the foregoing, the co-operation of the various civic departments and offices is confidently expected. Until such time, however, as there is in effect centralized control of the accounting and reporting, the most satisfactory results cannot be achieved.

### REVENUE AND EXPENSE STATEMENT

This sets forth those items which combine to produce the net current financial result for the year by way of current surplus or deficit. It comprises, together with the previous year's surplus or deficit, on the one hand, the expense for the year, and the small portion of revenue absorbed in the cost of certain permanent assets, and, on the other hand, the revenue for the year. The net result is exhibited so as to show the reserve required for appropriations already granted, and the surplus or deficit after such reserve has been provided.

The revenue absorbed in the acquiring of certain minor permanent assets, having thereby been converted from current into capital wealth, has been transferred to capital surplus.

Whatever current surplus or deficit may result is, of course, brought forward to the following year, and is either available to meet future expenditure or must be provided from future revenue, as the case may be, thus modifying the amount of taxation revenue otherwise required to meet the estimated expenditure for the following year. In municipal finance the revenue is, of course, gauged through the tax rate to meet expense requirements.

It is, perhaps, almost needless to say that the current surplus or deficit is quite distinct from capital surplus. The former applies only to the ordinary current business of the City, and is disposed of each year, while the latter, being in the nature of permanent capital, obtains continuously.

While it is, of course, the aim to account for all items of expense and revenue in the same fiscal period in which they are incurred or accrue, any omitted amounts of a previous year are included in the current year. Inter-service transfers, that is, amounts charged or allowed to one service or enterprise of the City by another, as compensation for benefit conferred by one upon the other, enter into both revenue and expense.



**CITY OF TORONTO**  
**CONDENSED STATEMENT OF REVENUE AND EXPENSE**  
**FOR THE YEAR ENDED 31st DECEMBER, 1919.**

Debit.		Credit.	
General expenses. \$21,387,031.50		Current surplus reserve for de-	
War expenditure		ferred expenditure brought	
(other than debt		forward from 31st Decem-	
charges)..... 871,893.21		ber, 1918:	
	\$22,258,924.71	Per statement \$516,672.57	
Transfer to capital surplus for		Adjustments. 37,810.60	
assets acquired out of revenue. 234,070.03			\$ 554,483.17
Current surplus reserve for de-		Current surplus available for	
ferred expenditure carried for-		appropriation brought for-	
ward 31st December, 1919.... 659,127.14		ward from 31st December,	
Current surplus available for		1918..... 986,382.84	
appropriation, carried forward			
31st December, 1919..... 1,756,217.72		Taxation and general revenue 23,367,473.59	
	\$24,908,339.60		\$24,908,339.60
Transfer to sinking fund reserve. 1,383,081.60		Interest earned on sinking	
		funds..... 1,383,081.60	
	<u>\$26,291,421.20</u>		<u>\$26,291,421.20</u>

Audited and approved,

SHOLTO C. SCOTT, A.C.A.,  
City Auditor.

T. BRADSHAW,  
Commissioner of Finance.

## CONSOLIDATED BALANCE SHEET

This statement sets forth in respective groups, the current and capital assets and liabilities, and surplus or deficit of the City. Current items are those of a more or less floating and non-continuous nature, obtaining only for the time being. As distinguished from these, capital items are those which are of a more or less fixed and continuing character, remaining practically constant, and usually subject to change only by way of addition and regular periodic modifications.

While current assets and liabilities contain, for the most part, current amounts pertaining to the City's ordinary business, viz., maintenance and operation of its services; expense for overhead or debt charges; incurrence of any other expenditure to be met directly out of revenue; the raising of its revenue; the rendering of certain services to private interests, etc., and such operations as are incidental to these—in other words, “running the City;” they also embody current amounts, tentatively obtaining in connection with stores; properties for re-sale; capital outlays (funds on hand, temporary loans, accounts payable); and temporary custodianship of funds in a fiduciary capacity. Moreover, they are all directly pertinent to “ready cash,” apart from sinking funds. The assets comprise cash, and amounts to be shortly received in, or applied as, cash. The liabilities comprise, in the main, accounts payable; temporary loans, if any; trust funds subject to disbursement from time to time, and any other amounts temporarily held in abeyance.

Capital assets and liabilities cover the capital furnished for fixed investments through funded loans, special advances and surplus; these investments; and the sums set aside for redemption of funded loans. In contrast with current, they do not directly affect “ready cash” apart from the sinking fund, except only from time to time as funds are applied for redemption of capital loans, but directly relate to fixed investments, capital loans, and other relevant items.

Current assets and liabilities, being subject to constant change, require daily attention in connection with the administration of the City's finances, while capital items, although usually involving large amounts, call for special attention only at particular periods.

The difference between total current assets and liabilities represents:

(1) In the case of the assets being greater—the net amount provided by funded loan for capital outlay, and by revenue for discharge of capital indebtedness, which, not having been used, is temporarily held for these purposes, and

(2) In the case of liabilities being greater—the net amount temporarily advanced on capital outlays, pending the securing of permanent loans therefor.

The foregoing difference, of course, enters into capital assets and liabilities, but in the opposite direction. The connecting link between the two divisions—current and capital—in which the City's assets and liabilities have been grouped, are represented by the difference referred to, which may be regarded as the net inter-divisional adjustment of amounts due between these divisions. In other words, it simply sets forth the net amount of funds tentatively held or used in one division, but ultimately belonging to the other.



City of Toronto

Consolidated Balance Sheet

31st DECEMBER, 1919

## CONSOLIDATED BALANCE SHEET

### ASSETS

#### CURRENT

Cash in banks and on hand.....	\$5,241,286.19
Taxes due and unpaid.....	3,845,928.06
Accounts receivable.....	894,108.52
Advances to Toronto Housing Commission.....	633,674.59
Stores on hand.....	305,400.05
Properties for re-sale.....	691,064.49
Revenue accrued but not due.....	259,774.07
Deferred charges.....	139,629.88
<i>Total current assets.....</i>	<u>\$12,010,865.85</u>

#### CAPITAL.

##### Sinking fund assets, cash and investments:

Reserve for debt redemption.....	\$27,654,091.53
Other funds for debt redemption.....	209,903.18
	<u>\$27,863,994.71</u>

Investment in Consumers' Gas Company stock (at cost).....	31,587.50
*Assessments for ratepayer's share of cost of local improvements..	12,663,809.49
Advances for local improvements not yet assessed.....	1,391,975.27
Permanent assets:—land; parks; buildings; waterworks; schools; Toronto Hydro-Electric system; civic car lines; municipal abattoir; general highway, sewerage, and waterfront improve- ments; and miscellaneous equipment.....	100,650,079.07
War expenditure, rights, and benefits.....	4,929,594.83

*Total capital assets.....* \$147,531,040.87

Current funds provided for capital purposes (net)..... \$2,190,795.32

**Total assets..... \$159,541,906.72**

Collections on account of these assessments are included in the  
sinking fund, and retained therein until debentures mature.

### AUDITOR'S

I have verified the above Balance Sheet with the books of the City of Toronto and drawn up so as to show the financial position of the Corporation as at the 31st December, year ended the 31st December, 1919.

I have verified the cash balances and checked the securities.

Department of Audit,

Toronto, 12th March, 1920.



TORONTO

## AS AT 31st DECEMBER, 1919

## LIABILITIES

## CURRENT.

Interest on funded debt, mainly due 1st January, 1920.....	\$2,083,977.20
Accounts payable.....	1,554,455.14
Temporary loans.....	1,600,112.88
Trust funds.....	1,103,667.72
Interest collectible in advance on ratepayers' share of local improve- ment debentures.....	337,880.00
Revenue in advance.....	222,308.69
Reserve for exchange.....	122,500.00
Reserve for loss on taxes.....	379,824.04
Current surplus reserve for deferred expenditure.....	659,127.14
Current surplus—available for appropriation.....	1,756,217.72

*Total current liabilities and surplus*..... \$9,820,070.53

Funds for capital purposes (net)..... \$2,190,795.32

## CAPITAL.

Funded debt.....	\$101,832,912.72
Toronto Harbour Commissioners re reclamation improvements...	1,029,687.16
County of York, re interest in Court House.....	84,000.00
Sinking Fund reserve.....	27,654,091.53
Instalment debt redemption reserve.....	195,675.17
Sundry reserves.....	98,487.46
Capital surplus.....	18,826,982.15

*Total capital liabilities and surplus*..... \$149,721,836.19

Contingent liability for bonds guaranteed by the City for  
enterprises directly in the public interest..... \$11,075,000.00

**Total liabilities and surplus**..... \$159,541,906.72

T. BRADSHAW,  
Commissioner of Finance.

## CERTIFICATE

certify that it is correctly prepared therefrom, and that it is, in my opinion, properly  
1919. I have also verified the accompanying Revenue and Expense Account for the

SHOLTO C. SCOTT, A.C.A.,  
City Auditor.

### STATEMENT OF CURRENT RESOURCES AND REQUIREMENTS

This statement exhibits, as at the close of the year, the City's immediate financial needs, including commitments, and the means for meeting them,—in other words, its current financial resources and requirements. The resources embody all the current assets, and the anticipated funds upon which appropriations have been predicated. As against these, the requirements include all current liabilities and unexpended appropriations or authorizations. Unprovided expenditures, and unappropriated surplus, are respectively shewn under resources and requirements. The statement discloses the co-ordination of actual assets and liabilities, the balances of appropriations and anticipated funds. It is a statement of financial provision, and in conjunction with the balance sheet, enables a clear view to be obtained of the financial affairs of the City.

While the balance sheet exhibits the financial condition of the City, apart from the contingent funds referred to, it might be somewhat misleading without being accompanied by the statement of resources and requirements, inasmuch as appropriations not being actual debts due to any one, cannot be included as liabilities, nor can anticipated funds not actually raised, be included as assets.



CITY OF TORONTO  
STATEMENT OF CURRENT RESOURCES AND REQUIREMENTS  
AS AT 31st DECEMBER 1919

Resources	Requirements
Current Assets.....	Current Liabilities..... \$7,404,725.67
Anticipated Funds:	Funds for retirement of instalment debt..... 195,675.17
Debentures to be negotiated...\$ 430,770.98	Funds offsetting sundry capital reserves..... 98,487.46
Loans authorized to be issued in 1920..... 1,057,000.00	Loan fund appropriations—funds actually raised..... 3,983,882.55
Loans authorized, final by-laws to be passed..... 6,390,895.52	Revenue funds appropriations—balances reserved for deferred expenditures..... 659,127.14
Grade separation advances, pending adjustments..... 166,746.90	
	8,045,413.40
MEMO: Anticipated funds, already expended..... \$2,022,274.53	
Anticipated funds yet to be expended..... 6,023,138.87	
	\$12,341,897.99
Capital expenditures—provision yet to be made.....	Funds to be appropriated in 1920 (surplus)..... 1,756,217.72
	\$14,098,115.71
	Loan funds appropriations—funds yet to be raised (contra):
	General works.....\$ 232,465.74
	Schools..... 362,000.00
	Toronto Hydro-Electric system extension..... 981,980.00
	Street railway pavements..... 184,349.13
	Waterworks..... 453,000.00
	Local improvement works..... 3,809,344.00
	6,023,138.87
	<u>\$20,121,254.58</u>

### STATEMENT OF RECEIPTS AND DISBURSEMENTS

This shows in a summary and analytical way the receipts and disbursements, ostensibly of cash, on all accounts, during the past year, as is required under Provincial Government regulations.

Being confined simply to amounts treated as received and paid out during the year, and not, taking into account "outstandings," "accruals," etc., the statement, consequently, does not represent the true amount for the various items of revenue and expense for the year, and must not be so construed. Nor can correct operating results be ascertained therefrom, but recourse must be had for these to that of revenue and expense.

It is respectfully submitted that the Province should, at an early date, require the municipalities to substitute for the "cash statement" which has practically no place in modern accounting, the "revenue and expense" statement, the effect of which would be, undoubtedly, to stimulate these bodies to maintain accounts and make returns along lines which would shew their true financial position.

Practically the only feature of interest about a cash statement is that it shews in a general way the volume of cash transactions during the year.



Abstract of  
Receipts and Disbursements  
1919

## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED 31st DECEMBER, 1919

## RECEIPTS

Cash on hand and in banks, 1st January, 1919:—

General funds.....	\$2,834,535.66	
Sinking funds.....	755,085.63	
		<u>\$3,589,621.29</u>

**Current Accounts:**

Current taxes, due in 1919.....	\$16,819,455.53	
Less refunds.....	5,668.55	
		<u>\$16,813,786.98</u>
Taxes due prior to 1919.....	3,226,757.17	
Less refunds.....	8,511.57	
		<u>3,218,245.60</u>
		<u>\$20,032,032.58</u>
Water rates—public.....	1,890,619.87	
Less refunds.....	10,168.35	
		<u>1,880,451.52</u>
Water rates—City services, etc.....	730,721.00	
		<u>2,611,172.52</u>
Civic street railway—advertising.....	1,620.00	
“ “ “ —fares.....	443,929.31	
		<u>445,549.31</u>
Toronto railway co.—mileage.....	98,793.60	
“ “ “ —percentage of receipts.....	1,152,515.43	
		<u>1,251,309.03</u>
Toronto Suburban railway—mileage.....	564.35	
Police court fines and fees.....	264,849.77	
Less refunds.....	8,266.88	
		<u>256,582.89</u>
Juvenile court fines and fees.....	901.36	
Licenses—general.....	121,086.45	
Rental of City properties.....	283,309.10	
Provincial government, re administration of justice..	47,866.38	
Provincial government, re railway tax revenue.....	5,483.20	
		<u>53,349.58</u>
Administration of justice—sundry fees and refunds.....	2,121.36	
County of York re administration of justice.....	13,873.43	
Canadian National Exhibition—surplus profits.....	175,007.49	
Contractor's deposits.....	112,187.78	
“ drawback—general.....	2,208.19	
Accrued interest on debentures sold.....	41,406.10	
Interest and discount.....	134,967.06	
Exchange.....	169,429.39	
Civic employees' Victory Loan purchase.....	186,100.55	
Excess over book value from re sale of tax sale lands acquired by City.....	5,925.68	
Tax sale redemption (contra).....	29,837.76	
Miscellaneous.....	151,049.44	
Toronto Harbor Commissioners, re-sale of debentures.....	330.94	
Toronto Hydro-Electric system—debt charges for interest on funded loans.....	408,068.22	
Toronto-Hamilton Highway Commission.....	5,877.50	
War purposes account.....	71,884.68	
Insurance on lives of enlisted citizens.....	863,854.60	
Wages of employees on active service.....	42,149.46	
Trust funds received by City.....	6,211.59	



## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

For the Year ended 31st December, 1919

## DISBURSEMENTS

## Current Accounts:—

Bond interest.....	\$ 4,497,143.87
Interest and discount.....	140,097.95
Accrued interest on debentures sold—amount paid Toronto Hydro-Electric System.....	4,687.66
Exchange and commission.....	74,587.76
Schools, maintenance of.....	4,001,459.72
Public library,.....	175,250.00
Administration of justice.....	216,980.88
Board of Education investigation.....	11,806.77
Contractors' deposits refunded.....	92,442.95
"    drawbacks—general.....	110,632.91
Civic employees Victory Loan purchase.....	245,610.77
Damage claims.....	16,500.42
Provincial Government—proportion of police court fines and fees..	32,211.00
Statutory or fixed grants.....	12,275.00
Special grants.....	19,969.00
City's share of local improvement rates against exempt properties..	59,068.81
Taxes remitted re vacancy allowances.....	21,469.86
Tax sale redemption (contra).....	29,907.06
Excess on lands acquired by City at tax sale.....	70.18
Toronto-Hamilton Highway Commission.....	262,500.00
Toronto and York Highway Commission.....	98,118.72
Toronto Harbor Commissioners.....	24,508.76
War purposes account.....	1,160,914.40
Trust funds paid by City.....	4,730.38
Wages of employees on active service.....	61,950.91
Insurance on lives of enlisted citizens.....	1,366,290.32
Miscellaneous.....	160,111.27

## DEPARTMENTAL EXPENDITURE:—

Architect's department.....	\$ 77,151.11
Assessment ".....	141,271.09
Audit ".....	13,333.40
City Council.....	37,987.83
" Clerk's department.....	109,757.88
" Relief ".....	8,248.02
" Treasurer's ".....	278,794.91
Court of Revision.....	5,268.00
Fire department.....	1,585,451.11
Jail maintenance.....	41,479.15
Law department.....	72,079.20
Miscellaneous accounts—sundry departments....	39,445.22
Parks department.....	583,208.46
Police ".....	1,174,999.83
Property " —general.....	\$ 944,405.64
" " —abattoir.....	241,472.52
	<hr/> 1,185,878.16
Public health department:	
General.....	\$ 593,337.41
Hospitals and homes.....	577,223.59
Sanitary conveniences.....	6,842.44
	<hr/> 1,177,403.44
Social Service Commission:	
General.....	\$ 14,266.94
Charitable grants.....	115,420.68
	<hr/> 129,687.62

## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

## RECEIPTS—Continued

## DEPARTMENTAL RECEIPTS:—

Assessment department.....	\$	6.25
City Architect's department.....		30,714.75
“ Auditor's department.....		353.28
“ Relief office.....		283.55
“ Treasury department.....		5,881.75
Fire department.....		7,337.00
Law “ .....		2,226.71
Miscellaneous—sundry departments.....		716.55
Parks department.....		75,245.02
Police “ .....		770.85
Property “ —general.....	\$96,184.11	
“ “ —abattoir.....	265,632.44	
“ “ —garage revenue..	50,831.00	
“ “ —industrial farms.	11,180.97	
		423,828.52

## Public Health Department:—

General.....	\$34,122.75
Hospitals and homes.....	8,097.39
Sanitary conveniences.....	2,100.62
	44,320.76
Street cleaning department.....	11,132.10

## Works department:—

General.....	\$1,116,359.78
Civic car lines operation....	339.25
Waterworks branch.....	134,367.73
	1,251,066.76

\$1,853,883.85

29,332,232.24

## Capital Accounts:—

Debentures sold.....	\$3,282,000.00
Debenture premium.....	5,395.00
Discount on local improvement debentures.....	11,015.88
Sinking fund investments.....	3,565,223.23
“ “ reserve—interest on investments, etc.....	1,428,111.61
Toronto Housing Commission.....	5,921.11
“ Hydro-Electric system—debt charges.....	64,559.23
“ “ “ “ —sinking fund.....	93,273.51
“ “ “ “ —refund of disbursements re debentures.....	1,111.88
Miscellaneous.....	290.00

## DEPARTMENTAL RECEIPTS:—

Parks department.....	\$17.60
-----------------------	---------

## Works Department:—

General.....	\$67,216.35
Civic car lines.....	2,867.85
Waterworks branch.....	32,146.64
	102,230.84

102,248.44

8,559,149.89

\$41,481,003.42

Audited and approved.

SHOLTO C. SCOTT,  
City Auditor.T. BRADSHAW,  
Commissioner of Finance.



## ABSTRACT OF RECEIPTS AND DISBURSEMENTS

## DISBURSEMENTS—Continued

## Current Accounts—Continued.

Street cleaning department.....	\$1,164,385.08	
Telephone switchboard.....	4,098.50	
Works department:		
General.....	\$1,777,180.12	
Civic car line operation.....	402,343.89	
Waterworks branch.....	1,172,672.90	
	<hr/>	3,352,196.91
		<hr/>
		\$11,182,124.92
		<hr/>
		\$24,083,422.25

## Capital Accounts:

Debentures redeemed.....	\$5,571,287.62	
Debenture premium.....	5,395.00	
Sinking fund investments.....	4,034,347.84	
" " reserve.....	31,804.31	
Toronto Hydro-Electric system.....	650,506.88	
Toronto Harbor Commissioners.....	82,830.51	
Toronto Housing Commission.....	639,595.70	
Board of Education—capital advanced.....	354,981.88	
Public library, under By-law No. 8186.....	29,004.62	
Miscellaneous.....	1,220.00	
DEPARTMENTAL EXPENDITURE:—		
Parks department.....	\$ 255,738.77	
Property ".....	3,255.52	
Works department:		
General.....	\$ 1,820,739.09	
Civic car lines.....	11,863.68	
Waterworks branch.....	237,150.80	
	<hr/>	2,069,753.57
		<hr/>
		2,328,747.86
		<hr/>
		13,729,722.22
Cash on hand and in banks, 31st December, 1919:—		
General funds.....	3,641,173.31	
Sinking ".....	26,685.64	
	<hr/>	3,667,858.95
		<hr/>
		\$41,481,003.42

Audited and approved.

SHOLTO C. SCOTT,  
City Auditor.

T. BRADSHAW,  
Commissioner of Finance.

## REVENUE FOR YEAR 1919

### SUMMARY CLASSIFICATION OF YEAR'S REVENUE ACCORDING TO SOURCE

<b>Taxation</b> —Yield (less provision for losses) mainly from total tax rate of $28\frac{1}{2}$ mills on the dollar on assessment of \$619,096,325: general tax, 17.34 mills; school tax, 7.90 mills; war purposes, 3.26 mills respectively on assessment liable therefor.....	\$17,529,589.01
<b>Common Welfare Revenue Other than Taxation:</b>	
<b>License, Permit and Inspection Fees</b> —For licensing various businesses and callings, permitting to build, operation of elevators, and sundry privileges and inspecting electric signs, etc.....	\$ 162,034.49
<b>General Rents</b> —Of properties and privileges, market space; market block lots; water lots; Front Street property originally for public walks and gardens; Island properties; refreshment privileges, etc., in parks and at Island; sewer connections; street areas, and minor items (including rent of space, City Hall and police stations, contra \$87,179).....	327,684.49
<b>Sundry Services Fees</b> —Cattle market, etc.; weigh scales; isolation hospital; drain inspection; dental services; public baths; removal of waste; tax certificates, etc.....	45,557.71
<b>Canadian National Exhibition</b> —Moneys paid to City as per lease between City and Canadian National Exhibition Association.....	175,007.49
<b>Interest and Penalties</b> —On overdue taxes in excess of discounts on taxes paid in advance.....	209,553.20
<b>Dividend on Stock</b> —Consumers' Gas Company.....	1,500.00
<b>Interest on Temporary Funds</b> —net.....	45,408.74
<b>Railway Tax</b> —Received from Provincial Government.....	5,483.20
<b>Administration of Justice</b> —Police and Juvenile Court fees and fines and Division Court jury fees.....	205,403.86
<b>Administration of Justice</b> —Reimbursement by Provincial Government and by County of York.....	173,090.51
<b>Industrial Farms</b> —Revenue from farming operations.....	16,609.01
<b>Tax Lands</b> —Excess, over book value, from re-sale of lands acquired for taxes.....	5,855.50
<b>Surplus Realized on Disposal of Assets</b> .....	7,200.00
<b>Miscellaneous</b> .....	14,018.16
<b>TOTAL COMMON WELFARE REVENUE OTHER THAN TAXATION</b> .....	1,394,405.95
<b>Revenue From Public Service Enterprises and Special Services:</b>	
<b>Toronto Railway Company Franchise</b> —Track mileage rental and percentage of receipts.....	1,251,309.03
<b>Toronto Suburban Railway Company Franchise</b> —Track mileage rental....	451.48
<b>Waterworks System</b> —Water rates including City supply and sundry rentals...	2,616,530.78
<b>Civic Car Lines</b> —Passenger fares and rent of advertising space.....	443,091.23
<b>Civic Abattoir</b> —Profit from sale of by-products; killing and cooler charges; cold storage fees, etc.....	132,096.11
	<u><u>\$23,367,473.59</u></u>



## REVENUE EXPENDITURE FOR YEAR 1919

### CLASSIFIED BY SERVICE

In the following table an effort has been made to give under "Other Fixed Charges," three main headings—"Debt Charges," "Maintenance and Other Fixed Charges" and "Revenue Capital Outlays," a bird's eye view of the revenue expenditure for the year, classified according to the general services into which, broadly speaking, the City's activities may be said to fall, without reference to departmental responsibility therefor. In several instances, expenditure for the same general service is made by different departments, so that the full cost thereof does not come under any one. The most suitable summary classification of expenditure is not always easy to determine, but it is believed that the one presented will suffice in a general way. As a basis for preparing the annual estimates, and for comparative purposes, it is most desirable to standardize accounts for services, as far as is practicable; moreover, this would have the advantage of insuring uniformity in the statements presented from time to time, and permit of their being compiled much more readily.

**REVENUE EXPENDITURE FOR YEAR 1919**  
**CLASSIFIED BY SERVICE**

SERVICE	FUNDED DEBT CHARGES	MAINTENANCE AND OTHER FIXED CHARGES	REVENUE CAPITAL OUTLAYS	TOTAL
<b>COMMON WELFARE:</b>				
Protection:				
Police and administration of justice.....	\$ 58,472.71	\$ 1,564,885.70	.....	\$1,623,358.41
Registry office.....	46,794.17	16,899.54	.....	63,693.71
Fire (including water).....	67,216.88	1,601,899.89	\$1,851.73	1,670,968.50
Life saving.....	.....	29,678.97	.....	29,678.97
Safety of buildings.....	.....	77,400.22	.....	77,400.22
Health (including hospital care).....	109,268.15	1,180,164.69	.....	1,289,432.84
Sanitation and drainage (except local improvements)....	435,289.33	1,294,590.57	122,216.04	1,852,095.94
Local improvements, City's share.....	1,229,382.83	.....	.....	1,229,382.83
Highways (except local improvements).....	349,582.82	896,582.77	45,765.80	1,291,931.39
Parks and recreation.....	198,806.44	516,239.19	48,540.77	763,586.40
Miscellaneous and undistributed:				
General administration and revenue collection.....	.....	616,548.97	.....	616,548.97
City and county building..	130,992.42	111,276.98	.....	242,269.40
Sundry minor public services.....	27,855.71	132,268.81	.....	160,124.52
Charities.....	.....	147,945.23	.....	147,945.23
Bonuses to railways.....	57,494.90	.....	.....	57,494.90
Waterfront and Don river improvements (except parks).....	124,599.82	.....	.....	124,599.82
Highways outside City....	.....	199,503.29	.....	199,503.29
Exchange.....	.....	18,508.01	.....	18,508.01
Minor and unclassified....	212,200.55	190,008.82	2,570.69	404,780.06
Educational:				
Schools.....	883,752.95	4,011,971.64	.....	4,895,724.59
Libraries.....	14,836.98	175,250.00	13,125.00	203,211.98
Exhibition Canadian.....				
National.....	88,988.71	45,644.03	.....	134,632.74
War purposes.....	566,251.77	871,893.21	.....	1,438,144.98
<b>TOTAL COMMON WELFARE....</b>	<b>\$4,601,787.14</b>	<b>\$13,699,160.53</b>	<b>\$234,070.03</b>	<b>\$18,535,017.70</b>
<b>PUBLIC SERVICE ENTERPRISES AND SPECIAL SERVICES:</b>				
Waterworks.....	899,099.41	1,150,598.79	.....	2,049,698.20
Civic car lines.....	172,953.67	416,357.72	.....	589,311.39
Civic abattoir.....	25,614.67	106,854.66	.....	132,469.33
Street railway franchise.....	805,875.57	380,622.55	.....	1,186,498.12
<b>GRAND TOTAL.....</b>	<b>\$6,505,330.46</b>	<b>\$15,753,594.25</b>	<b>\$234,070.03</b>	<b>\$22,492,994.74</b>



## REVENUE EXPENDITURE FOR YEAR 1919

### CLASSIFIED BY DEPARTMENTS

An endeavor has been made to set down departmentally the year's revenue expenditure according to the more or less direct responsibility therefor. Items not assignable to any specific department, but for which the municipality at large is directly responsible, are placed under the caption "At Large." Preceding the somewhat detailed statement of expenditures is a summary of departmental totals.

### SUMMARY OF REVENUE EXPENDITURE

FOR THE YEAR ENDED 31st DECEMBER, 1919

DIVISIONS	EXPENSE	REVENUE CAPITAL OUTLAY	TOTAL
1. At large.....	\$11,869,092.85	\$13,125.00	\$11,882,217.85
2. City Council.....	99,036.44	.....	99,036.44
3. City Clerk's department.....	113,426.72	.....	113,426.72
4. Treasury department.....	304,723.23	.....	304,723.23
5. Assessment department.....	143,736.89	.....	143,736.89
6. Court of revision.....	5,268.00	.....	5,268.00
7. Law department.....	71,468.01	.....	71,468.01
8. Claims Commission.....	16,475.42	.....	16,475.42
9. Audit department.....	12,368.17	.....	12,368.17
10. Telephone switchboard.....	4,098.50	.....	4,098.50
11. Social Service Commission.....	135,052.51	.....	135,052.51
12. City relief office.....	7,892.72	.....	7,892.72
13. Courts, general, and inquests.....	197,604.79	.....	197,604.79
14. Juvenile court.....	17,092.48	.....	17,092.48
15. Police department.....	1,178,559.95	.....	1,178,559.95
16. Fire department.....	1,569,714.26	1,851.73	1,571,565.99
17. Architect's department.....	77,400.22	.....	77,400.22
18. Public health department.....	1,174,117.12	.....	1,174,117.12
19. Street cleaning department.....	1,132,366.20	25,260.59	1,157,626.79
20. Works department.....	2,711,260.48	145,291.94	2,856,552.42
21. Parks department.....	480,564.73	48,540.77	529,105.50
22. Property department (including civic abattoir,).....	937,605.02	.....	937,605.02
	<u>\$22,258,924.71</u>	<u>\$234,070.03</u>	<u>\$22,492,994.74</u>

## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS

FOR THE YEAR ENDED 31st DECEMBER, 1919

### 1. At Large:

Debt Charges—Interest on and redemption of all funded loans except Rate-payers' Share of Local Improvements and Toronto Hydro-Electric system	\$6,505,330.46
Schools and Education—School rates (exclusive of debt charges); maintenance of pupils in Industrial Schools; Teachers' Institutes grants. . . . .	4,011,971.64
Library Rates—Allowed by statute to Public Library Board, R.S.O., Chap. 202, Sec. 12. . . . .	175,250.00
Toronto University Endowment—52 Vic. Chap. 53, for additional privileges re Queen's Park Avenue—annual payment in perpetuity. . . . .	6,000.00
Art Museum—Annual grant, 1 Geo. V., Chap. 119, Sec. 3. . . . .	5,000.00
Highways Outside City—City's proportion of expenditure under statutory provision, on Toronto and Hamilton Highway and on Township of York suburban highways. . . . .	199,503.29
Harbor Board Improvements—Amount payable to Harbor Board (covering interest and part of cost) re improvements, as per agreement. . . . .	63,357.33
Life Saving—Cost of service (including equipment purchased) maintained by Harbor Board along general waterfront and Humber river, as per agreement. . . . .	29,678.97
Miscellaneous. . . . .	1,107.95
Special—War expenditure, including patriotic grants, insurance on lives of enlisted citizens, wages of enlisted civic employees, and sundry other items . . . . .	871,893.21
*Public Library Property (Bathurst St. and Melgund Road)—Cost met in 1919 since not previously provided. . . . .	13,125.00
Total. . . . .	\$11,882,217.85

### 2. City Council:

Remuneration of Members—Mayor, Controllers, and Aldermen. . . . .	\$25,200.00
Salaries Mayor's Office staff. . . . .	7,887.83
Auto Service—Care of cars, auto hire, etc. . . . .	5,695.50
Registry Office—Recording machines. . . . .	563.95
Receptions and Travelling Expenses. . . . .	12,550.46
Special Grants—including membership fees of sundry municipal associations	24,074.00
Board of Education investigation. . . . .	11,806.77
Miscellaneous. . . . .	11,157.93
Total. . . . .	\$99,036.44

### 3. City Clerk's Department:

General Administrative Services. . . . .	\$29,065.52
Election Expenses—Preparing and printing voters' lists and general expenses of elections. . . . .	34,719.27
Tax Collection—Preparing tax collectors' rolls. . . . .	12,928.89
Vital Statistics—Registering births, marriages and deaths. . . . .	4,855.25
Advertising, Printing and Stationery. . . . .	27,549.08
Registry Office—Stationery. . . . .	2,237.72
Miscellaneous. . . . .	2,070.99
Total. . . . .	\$113,426.72

\*Revenue capital outlay.



## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 4. Treasury Department:

General Administrative Services.....	\$ 93,629.24
Tax Collection—Billing, collecting, posting rolls, etc.; salaries and sundry expenses.....	100,078.04
Waterworks—Service-rating and revenue collection.....	75,345.31
License Office.....	8,588.42
Exchange.....	18,508.01
Miscellaneous.....	8,574.21
Total.....	<u>\$304,723.23</u>

### 5. Assessment Department:

General Administrative Services—Making assessments, purchasing, renting, and selling properties, etc.....	\$ 128,307.63
Survey Branch—Making surveys, furnishing plans, descriptions, etc., of property.....	15,429.26
Total.....	<u>\$143,736.89</u>

### 6. Court of Revision:

General Administrative Services—Revising and confirming assessments....	<u>\$5,268.00</u>
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### 7. Law Department:

General Administrative Services—Salaries and office expenses, outside counsel fees, judicial costs.....	<u>\$71,468.01</u>
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### 8. Claims Commission:

Damage Claims and Incidental Costs—Re damages alleged due to City's negligence.....	<u>\$16,475.42</u>
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### 9. Audit Department:

General Administrative Services—Salaries and office expenses.....	<u>\$12,368.17</u>
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### 10. Telephone Switchboard:

Switchboard—Operators' salaries.....	<u>\$4,098.50</u>
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### 11. Social Service Commission:

Investigating maintenance claims of public dependents and considering applications of various social and philanthropic institutions for financial assistance, supervision of outdoor relief, etc.....	\$14,432.62
Charitable Grants—To Children's Aid Societies; House of Industry; House of Providence; children's institutes and other charitable and philanthropic homes and institutions.....	120,619.89
Total.....	<u>\$135,052.51</u>

### 12. City Relief Office:

Relief of poverty, cost of burying indigents, investigating applications for admission to hospitals on City order.....	<u>\$7,892.72</u>
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## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 13. General Courts and Coroners' Inquests:

Non-indictable Cases, City and County Joint Administration—Fees, allowances and disbursements to court officers; constables' fees; jurors' fees; and sundries (portion returnable by County).....	\$62,052.13
Indictable Cases, City and County Joint Administration—Fees, allowances and disbursements to court officers; constables' fees; detectives' accounts; and outside sheriffs' accounts (fully returnable by Provincial Government)	54,409.98
Crown Witness Fees on City Cases (third returnable by Prov. Government)	10,569.60
Medical examinations, certificates etc., and conveying of City prisoners; sheriffs' returns; court crier; and sundries.....	7,922.38
Coroners' Fees and Allowances, City Cases (one-half chief coroner's salary, and all other coroners' fees, returnable by Provincial Government).....	6,679.70
Jury and witness fees, medical services and sundry expenses re inquests on City cases.....	7,947.00
Rent of space in City Hall for Law Courts, (contra).....	48,024.00
Total.....	<u>\$197,604.79</u>

### 14. Juvenile Court:

Salaries of Judge and officers, and sundry expenses.....	<u>\$17,092.48</u>
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### 15. Police Department:

Salaries of police magistrates, constables, detectives, matrons, court clerks..	\$971,956.80
Clothing, equipment, special detective service, ambulance service, patrol and signal service, cleaning stations, and sundries.....	142,728.81
Fuel, light and water for stations, and office supplies.....	14,719.34
Rent of stations and space, City Hall, (contra).....	39,155.00
Annual Benefit Fund contribution.....	10,000.00
Total.....	<u>\$1,178,559.95</u>

### 16. Fire Department:

Water Supply for Fire Protection—Charge based on proportionate division of estimated waterworks expenses, between fire and domestic supply, in ratio of estimated expenses of a separate system for fire protection to estimated total expenses for two separate systems for both fire protection and domestic supply.....	\$712,756.00
Salaries of fire brigade, and other members of department.....	677,085.61
Upkeep and renewal of equipment; supplies, uniform clothing, etc.....	125,953.48
Fuel, light and water for fire halls.....	19,485.21
Fire, liability, boiler insurance, and miscellaneous.....	7,133.96
Annual grant to Benefit Fund.....	27,300.00
*Addition to plant and equipment.....	1,851.73
Total.....	<u>\$1,571,565.99</u>

### 17. Architect's Department:

General administrative services and general control of building construction and safety, building installations, etc.; erecting City buildings.....	<u>\$77,400.22</u>
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\*Revenue capital outlay.



## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 18. Public Health Department:

General Departmental Administration—Salaries and incidental expenses..	\$29,003.98
Medical inspection of schools (except nurses' services) dental service at schools and hospitals; supervising baby and maternity homes; medical diagnosis and examinations; child hygiene study; maintaining quarantine and disinfecting; special ambulance service; morgue, etc. expenses....	91,134.24
Services of nurses and assistants discovering and co-operating with tuberculosis patients; assisting chiefly in advisory capacity in cases of sickness generally; co-operating in general child welfare work and in work of philanthropic, social and charitable organizations; services at schools and miscellaneous nursing services.....	153,063.37
Supervision of water and milk supply; laboratory diagnosis of contagious diseases; and miscellaneous laboratory work.....	47,123.28
Isolation Hospitals—Maintenance and operation of: hospitals staffs, medical, nursing, caretaking, domestic, etc.; food, drugs, supplies, etc.; heat, light, water.....	107,878.78
Vital Statistics—Case, and other departmental records, and social service co-operation.....	13,709.91
General inspection and control of meat and other food except milk, both as to standard quality and weight requirements.....	14,897.65
Supervision of housing and industrial hygienic conditions; inspection of restaurants, bake-shops, laundries and general sanitary supervision and control; plumbing and drainage inspection.....	74,834.04
Epidemics' expenses .....	59,257.91
Hospitals and Homes—Care and treatment of indigent patients per City order, less sundry amounts collected from, or on account of patients..	478,664.96
Special Grants to Hospitals—Mainly on account of operating deficits.....	104,549.00
Total.....	<u>\$1,174,117.12</u>

### 19. Street Cleaning Department:

General Administration—Salaries, office and miscellaneous expenses.....	\$42,973.52
Cleaning, watering, and oiling roads, collecting and removing private and street refuse, removing snow from roadways, as follows:	
Stable and shop .....	\$174,608.42
Motor trucks.....	55,821.62
Street cleaning patrol and cleaning culverts.....	243,898.83
Watering and oiling roads—Wages, water supply, road oil and miscellaneous.....	38,377.55
Snow removal—Wages and miscellaneous.....	17,496.83
Removing refuse—Wages of collectors, and miscellaneous expenses.....	455,972.68
	<u>986,175.93</u>
Disposal and Destruction of Refuse—Maintenance and operation of destruction plants; wages of men at dumps.....	94,380.65
Pension Allowances.....	6,884.00
Insurance.....	1,952.10
*Addition to Plant and Equipment.....	25,260.59
Total.....	<u>\$1,157,626.79</u>

\*Revenue capital outlay.

## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

## 20. Works Department:

## General Maintenance of Highways as follows:

General repairs to roadways, sidewalks, and bridges, and sundry highway improvements.....	\$433,997.83
Keeping highways safe and designated for traffic—protecting level crossings; inspecting areas and overhanging signs, awnings, etc., and designating by sign tablets, street names and numbers.....	76,886.60
Cleaning off snow and ice and cutting weeds.....	44,559.87

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\$555,444.30
General Maintenance of Sewers and Drainage System and Disposal of  
Sewage—Repairing breaks of, flushing and inspecting sewers; operating  
sewage pumping stations (raising flow to higher level where needed);  
operation, maintenance, and sundry improvements of sewage disposal  
works.....

162,224.37

Marine Plant—Operation of tugs, derrick and scows..... 15,155.36

Insurance (undistributed)..... 11,048.71

Garage Service..... 14,875.00

Rotary Accounts—Adjustments, net..... 55,945.65

Workmen's Compensation and Miscellaneous Items..... 8,376.34

Toronto Railway Track Allowance Pavements—Repairs and reconstruc-  
tion of..... 380,622.55Waterworks Operation and Maintenance (exclusive of special independent  
high pressure system supply for fire protection only) as follows:Pumping water and maintaining pressure on mains—  
Operation and maintenance of pumps, pumping station  
expenses, part cost new pump..... \$463,065.82Purifying water supply—Operating filtration plant, treat-  
ing water with chlorine, etc..... 277,370.35Maintaining system of distribution—Upkeep of mains,  
meters, hydrants, reservoir, etc.; cost new meters, hyd-  
rants, and valves..... 325,074.93

Insurance and miscellaneous..... 9,742.38

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1,075,253.48
Fire Protection—Operation and maintenance independent high pressure  
water supply system for fire purposes only..... 15,957.00Toronto Civic Railway—Maintenance of way, structures and equipment,  
operation of cars (including power purchased), general expenses and  
damages..... 409,741.69

Expenses re street railway lines, owned but not operated by City..... 6,616.03

\*Brock Ave. Subway—Cost of subway met in 1919, not previously provided 45,765.80

\*Yonge Street Relief Sewer—Portion of cost of sewer (in addition to amount  
met by funded loans)..... 11,732.90

\*Addition to plant and tools..... 2,570.69

\*Sewer Extensions re Waterfront Development—One-half cost borne by  
City, of extensions necessary on account of areas reclaimed..... 85,222.55

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Total..... \$2,856,552.42

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\* Revenue capital outlay.



## DETAILS OF REVENUE EXPENDITURE BY DEPARTMENTS—Continued

### 21. Parks Department:

General Administration—Salaries, office supplies and miscellaneous expenses	\$47,279.33
Upkeep generally of parks and grounds maintained as park areas, including sporting areas in parks, maintenance park zoological sections and zoo animals and sundry park improvements.....	256,662.48
Supervised Playgrounds—Supervision of children and upkeep of grounds and apparatus.....	54,736.23
Rinks and Toboggan Slides—Cost of flooding and maintaining free skating rinks and toboggan slides.....	27,417.58
Band Concerts—Free concerts given in various parks.....	4,937.22
Forestry—Supply and care of trees in street boulevards and in parks.....	41,164.71
Insurance, undistributed.....	2,723.15
Exhibition Buildings—Repairs and general upkeep; caretaking and watchmen's service; insurance.....	45,644.03
*Addition to plant and equipment.....	8,508.00
*Reclamation Catfish Pond, High Park—Portion of cost of improvement (in addition to amount met by funded loans).....	40,032.77
Total.....	<u>\$529,105.50</u>

### 22. Property Department:

Lighting city thoroughfares and parks.....	\$321,322.31
General Public Buildings, Markets, Bathing Stations, etc.—Upkeep and supervision of public halls, public baths, public lavatories, general and cattle markets, weigh scales, free bathing stations, labor bureau.....	173,323.42
Registry Office—General upkeep of building, including telephone service...	14,097.87
City Hall Maintenance—Caretaking, operating, heat, light, water and miscellaneous.....	107,178.48
Fire Protection—Repairs and sundry furnishings of fire halls.....	16,228.63
Police Service—Repairs to sundry police stations.....	2,601.03
Isolation Hospital—Repairs and upkeep of building.....	5,978.63
Industrial Farms—Maintenance and custody of prisoners and upkeep of accommodation; conducting farming operations.....	124,093.67
Jail,—custody and maintenance of prisoners, and upkeep of building.....	41,276.56
Insurance, undistributed.....	13,930.00
Coal inspection, etc.—Inspecting weight of coal, securing elimination of smoke nuisance.....	7,705.33
Miscellaneous.....	3,014.43
Municipal Abattoir—Slaughtering for dealers; maintenance slaughtering accommodation; cold storage warehousing; dealing in by-products; insurance, etc.....	106,854.66
Total.....	<u>\$937,605.02</u>
<b>Grand Total of Revenue Expenditure.....</b>	<u><b>\$22,492,994.74</b></u>

\* Revenue capital outlay.

**FUNDED DEBT AND RESERVES FOR REDEMPTION****AS AT 31ST DECEMBER, 1919****CLASSIFIED ACCORDING TO PURPOSE OF ISSUE**

In the following statement there are set down both the gross and the net amounts of the City's funded debt, classified according to purpose of issue, the respective sinking and other funds reserved to meet the indebtedness, and, in addition, the relative annual debt charges. While the City's gross funded debt was \$101,832,913, its net funded debt (taking all reserves into consideration) was \$73,983,146, the sinking and other funds reserved to meet the debt accounting for the difference, viz., \$27,849,767. The annual debt charges amount to \$8,690,467.

Of the total debt, \$18,514,118 is repayable in regular annual instalments, and the balance, \$83,318,795, is repayable at the end of fixed terms of years; provision for retiring the former being made almost concurrently with the maturity of the debentures, and for the latter, by the accumulation of a sinking fund which is sufficient at the maturity of the debt for its retirement. At the end of the year there was a reserve of \$195,675 for retirement of debentures of instalment loans maturing in 1920, and overdue bonds, and for commutation of local improvement rates for these loans, and a sinking fund reserve of \$27,654,092 for retirement of debentures of sinking fund loans.



## FUNDED DEBT AND RESERVES FOR REDEMPTION

DEBT CLASSIFICATION	GROSS DEBT	RESERVES FOR RE- DEMPTION	NET DEBT	ANNUAL DEBT CHARGES
COMMON WELFARE PURPOSES:				
Protection:				
Police service and administration of justice:				
Police stations.....	\$ 393,841	\$ 110,155	\$ 283,686	\$ 21,432
Industrial farms.....	488,772	42,732	446,040	37,227
Registry office.....	746,819	54,030	692,789	48,433
Fire protection—fire halls.....	1,212,024	294,686	917,338	62,286
Health:				
Hospital grants, etc.....	1,260,586	213,796	1,046,790	71,285
Isolation hospital.....	170,680	107,091	63,589	22,159
Sanitation and drainage (no local impr'ts):				
Main sewers.....	6,156,583	931,210	5,225,373	363,414
Garbage disposal.....	1,076,145	280,129	796,016	88,116
Local improvements, City's share.....	8,583,918	3,060,398	5,523,520	1,121,575
Highways (except local improvements):				
Bridges.....	1,039,507	133,029	906,478	65,082
Railway viaducts and subways.....	3,245,619	555,333	2,690,286	192,727
Railway grade separation.....	1,170,719	42,851	1,127,868	74,590
Highway improvements.....	170,545	83,274	87,271	20,260
Parks and recreation—public parks.....	3,764,336	613,783	3,150,553	272,468
Miscellaneous:				
City and county building.....	2,344,992	1,496,521	848,471	119,188
Esplanade improvements.....	1,048,711	601,719	446,992	54,975
Don improvements.....	913,392	524,505	388,887	44,654
Ashbridge's Bay improvements.....	345,128	113,670	231,458	18,520
Island breakwater.....	99,995	72,917	27,078	4,750
Properties—miscellaneous.....	670,535	187,653	482,882	48,357
Markets.....	503,620	225,328	278,292	27,856
Miscellaneous.....	1,722,349	758,477	963,872	95,305
Bonuses to railways.....	1,154,227	757,179	397,048	57,386
Educational:				
Schools—public.....	10,785,560	1,943,912	8,841,648	642,743
“ —Technical.....	2,375,745	293,104	2,082,641	161,893
“ —high, ordinary.....	1,444,898	273,932	1,170,966	83,346
“ —High of Commerce.....	412,747	42,375	370,372	25,003
“ —industrial.....	54,207	33,535	20,672	2,614
“ —separate.....	47,697	38,727	8,970	2,266
Public libraries.....	350,649	99,446	251,203	22,943
Exhibition, Canadian National—buildings.....	1,230,075	378,321	851,754	87,336
War purposes.....	2,469,000	.....	2,469,000	481,757
TOTAL COMMON WELFARE (Except L.I.R.S.)	57,453,621	14,363,818	43,089,803	4,441,946
LOCAL IMPROVEMENTS, RATEPAYERS' SHARE..	12,563,200	6,439,055	6,124,145	1,716,528
PUBLIC SERVICE ENTERPRISES AND SPECIAL SERVICES:				
Waterworks.....	16,209,316	3,379,254	12,830,062	924,311
Toronto Hydro-Electric System.....	9,154,635	910,101	8,244,534	567,469
Civic car lines.....	2,564,237	428,868	2,135,369	199,667
Civic abattoir.....	415,608	44,383	371,225	25,615
Street railway pavements.....	3,459,136	2,142,126	1,317,010	814,931
MATURED DEBENTURES—not yet presented...	13,160	13,160	.....	.....
ADDITIONAL SINKING FUND RESERVE.....	.....	129,002	*129,002	.....
<b>Total.....</b>	<b>\$ 101,832,913</b>	<b>\$27,849,767</b>	<b>\$73,983,146</b>	<b>\$ 8,690,467</b>

\* Deduct

## STATEMENT OF SINKING FUND

AS AT 31ST DECEMBER, 1919

The following statement shows in concise form the investments in which the City's sinking fund is held, as well as the cash in banks, and the different reserves on account of which the same is set apart.

### ASSETS

City of Toronto bonds.....	\$23,234,966.93
Government securities—Dominion of Canada.....	4,100,486.67
Accrued interest on investments.....	501,855.47
Cash in banks.....	26,685.64
	<hr/>
	<u>\$27,863,994.71</u>

### LIABILITIES OR RESERVES

Reserve for debt redemption, as follows:

Accumulated sinking fund at basic interest rate (including payment of levy due 1st Jan., 1920 and reserve for matured unclaimed loans).....	\$27,525,089.36
Sinking fund surplus.....	129,002.17
	<hr/>
	\$27,654,091.53
Minor unrequired balances of funded loans .....	135,151.16
Realization of capital assets fund.....	74,752.02
	<hr/>
	<u>\$27,863,994.71</u>



## WATERWORKS REVENUE AND EXPENSE

For the Year ended 31st December, 1919

Debit	Credit
Operation and maintenance.....\$1,075,253.48	Water rates:
Rating and revenue collection..... 75,345.31	Water takers.....\$1,867,368.54
Debt charges..... 899,099.41	City service..... 747,373.12
Surplus for year..... 566,832.58	Sundry rentals..... 1,789.12
<u>\$2,616,530.78</u>	<u>\$2,616,530.78</u>
Surplus reserve for deferred expenditure carried forward, 31st December, 1919..... \$107,979.35	Surplus for year, brought down..... \$566,832.58
Surplus transferred to general account..... 475,890.49	Surplus reserve for deferred expenditure brought forward from 1918..... 17,037.26
<u>\$583,869.84</u>	<u>\$583,869.84</u>

## WATERWORKS FUNDED DEBT

As at 31st December, 1919

Gross funded debt.....	\$16,209,316.09
Deduct:	
Sinking funds on hand, accumulated for redemption of debt....	3,379,253.87
Net funded debt.....	<u>\$12,830,062.22</u>

## CIVIC CAR LINES REVENUE AND EXPENSE

For the Year ended 31st December, 1919

Debit	Credit
Operation and maintenance..... \$416,357.72	Passenger traffic revenue. \$441,037.23
Debt charges..... 172,953.67	Rental car advertising space..... 1,620.00
	Sundry rentals..... 434.00
	Deficit for year..... 146,220.16
\$589,311.39	\$589,311.39
Deficit for year, brought down..... \$146,220.16	Transferred from general account to cover deficit, etc..... 147,254.28
Reserve for deferred expenditure, carried forward 31st December, 1919..... 1,034.12	
\$147,254.28	\$147,254.28

## CIVIC CAR LINES FUNDED DEBT

As at 31st December, 1919

Gross funded debt.....	\$2,564,237.00
Deduct:	
Sinking funds on hand, accumulated for redemption of debt.....	428,868.09
Net funded debt.....	\$2,135,368.91



## CIVIC ABATTOIR, PROFIT AND LOSS

For the Year ended December 31st, 1919

Debit		Credit	
Operation and maintenance.....	\$106,854.66	Gross profit on merchandise sold, killing, cooler and cold storage charges	
Debt charges.....	25,614.67	rentals, etc.....	\$132,096.11
		Deficit for year.....	373.22
	<u>\$132,469.33</u>		<u>\$132,469.33</u>
Deficit for year brought down.....	\$373.22	Transferred from general account to cover deficit, etc.....	\$4,998.48
Reserve for deferred expenditure carried forward, 31st December, 1919.....	4,625.26		
	<u>\$4,998.48</u>		<u>\$4,998.48</u>

The foregoing statement does not include proper depreciation, taxes, or full interest charges, etc.

## CIVIC ABATTOIR FUNDED DEBT

As at 31st December, 1919

Gross funded debt.....	\$415,608.00
Deduct:	
Sinking funds on hand, accumulated for redemption of debt....	44,383.04
Net funded debt.....	<u>\$371,224.96</u>

## CANADIAN NATIONAL EXHIBITION REVENUE AND EXPENSE

For the Year ended 31st December, 1919

Debit		Credit	
Maintenance.....	\$46,368.41	Received from Association	\$175,007.49
Debt charges.....	88,988.71	Sundry rentals.....	3,744.49
Surplus for year.....	43,394.86		
	<u>\$178,751.98</u>		<u>\$178,751.98</u>

NOTE.—The above maintenance charges do not cover upkeep of grounds, as they are utilized for most of the year for Park purposes. The debt charges apply only to debts incurred for buildings.

## EXHIBITION BUILDINGS FUNDED DEBT

As at 31st December, 1919

Gross funded debt.....	\$1,230,075.00
Deduct:	
Sinking funds on hand, accumulated for redemption of debt....	378,321.11
Net funded debt.....	<u>\$851,753.89</u>



CITY'S ACCOUNTS WITH BOARD OF EDUCATION

For the Year ended 31st December, 1919

MAINTENANCE

Dr.		Cr.	
To Cash paid per warrants.....		By Public school rates.....	\$3,454,807.41
“ Annual Debt Charges:		“ High school rates.....	411,522.77
On Public school debt.....	\$610,878.14	“ Technical school rates.....	334,198.48
“ High school debt.....	82,987.77	“ High School of Commerce rates.....	109,836.76
“ Technical school debt.....	161,505.48	“ Administration building rates.....	317,807.00
“ High School of Commerce		“ Balance merged—re debt charges on new debt	2,230.73
debt.....	25,031.76		
	<u>880,403.15</u>		
			<u>\$4,630,403.15</u>

CAPITAL

Dr.		Cr.	
To Cash paid per warrants:		By Balances as on 1st January, 1919:	
By-law No. 6278.....	\$ 10,000.00	By-law No. 7579.....	\$208,000.00
“ “ 7409.....	10,000.00	“ “ 7409.....	10,000.00
“ “ 7579.....	148,000.00	“ “ 7253.....	20,000.00
“ “ 7647.....	82,000.00	“ “ 6278.....	60,000.00
“ “ 8190.....	85,000.00	“ “ 7647.....	82,000.00
	<u>\$335,000.00</u>		<u>\$380,000.00</u>
To Balances at credit, 31st Dec., 1919		By Debenture Issue:	
By-law No. 6278.....	\$ 50,000.00	By-law No. 8190.....	\$509,000.00
“ “ 7253.....	20,000.00	Less Debenture discount.....	19,981.88
“ “ 7579.....	60,000.00		<u>489,018.12</u>
“ “ 8190.....	404,018.12		
	<u>534,018.12</u>		
			<u>\$869,018.12</u>

## CITY'S ACCOUNT WITH SEPARATE SCHOOL BOARD

For the Year ended 31st December, 1919

Dr.	Cr.
To Cash, paid per warrants. \$238,995.10	By Separate school rates.. \$241,265.48
“ Annual debt charges on separate school debentures, issues by City... 2,270.38	
<u>\$241,265.48</u>	<u>\$241,265.48</u>

## CITY'S ACCOUNT WITH PUBLIC LIBRARY BOARD

For the Year ended 31st December, 1919

Dr.	Cr.
To Cash, paid per warrants. \$175,250.00	By Public library rates... \$169,187.63
“ Annual debt charges on public library debt.... 14,860.65	“ Special grant, 1919.... 20,476.00
	“ Balance merged—re debt charges on new debt 447.02
<u>\$190,110.65</u>	<u>\$190,110.65</u>





Government  
Publications



Government  
Publications

~~113~~ Toronto. Finance Dept.  
~~7014~~ Report of the commissioner  
~~162763~~ of finance  
1918-  
1919

Government  
Publications

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